

IMPORTANT NOTICE: You must read the following before continuing. The following applies to the information memorandum following this page and you are therefore advised to read this page carefully before reading, accessing or making any other use of the information memorandum. In accessing the information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer, the Initial Guarantors or any Joint Bookrunner (as defined in the “*Subscription and Sale*” section of the information memorandum) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND THE INITIAL GUARANTEES THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES AND THE INITIAL GUARANTEES THEREOF MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY NOTES.

Confirmation of your representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the Notes, prospective investors must be either (1) qualified institutional buyers (“**QIBs**”) (within the meaning of Rule 144A under the Securities Act) or (2) purchasing outside the United States in accordance with Regulation S under the Securities Act. This information memorandum is being sent to you at your request, and by accessing this information memorandum you shall be deemed to have represented to the Issuer, the Initial Guarantors and the Joint Bookrunners that (1) either (a) you and any customers you represent are QIBs or (b) you and any customers you represent are located outside the United States and the electronic mail address that you have provided and to which this e-mail has been delivered is not located in the United States, its territories and possessions, any state of the United States or the District of Columbia and (2) you consent to delivery of this information memorandum particulars by electronic transmission.

You are reminded that this information memorandum has been delivered to you on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this information memorandum to any other person.

The materials relating to this offering (the “**Offering**”) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offering be made by a licensed broker or dealer, and the Joint Bookrunners or any affiliate (or otherwise an entity authorised to act on behalf of such Joint Bookrunner) of the Joint Bookrunners is a licensed broker or dealer in the relevant jurisdiction, the Offering shall be deemed to be made by the Joint Bookrunners or such affiliate on behalf of the Issuer in such jurisdiction.

This communication is directed solely at (i) persons outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (iii) high net worth entities falling within Article 49 of the Order; and (iv) other persons to whom it may otherwise lawfully be communicated under the Order (all such persons together referred to as “**relevant persons**”). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

Manufacturer target market (MiFID II product governance and UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No EEA or UK PRIIPs key information document has been

prepared as the Notes will not be made available to retail investors in the European Economic Area or in the United Kingdom.

Nothing in this information memorandum shall be interpreted as containing an offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale or other transfer of any securities in the territory of the Republic of Cyprus.

Nothing in this information memorandum shall be interpreted as containing an offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale or other transfer of any securities in the territory of Ukraine.

This communication relating to the offering and any materials in relation hereto do not constitute and may not be used in connection with an offer to the public in the Republic of Moldova, including an offer made on the capital market of the Republic of Moldova or otherwise, and are not directed at any person on the territory of the Republic of Moldova and should not be relied on by any such person. The Notes do not constitute “securities” (“valori mobiliare”) within the meaning of the Law No. 171 dated 11 July 2012 on the Capital Market and the Issuer is not registered and operating in the Republic of Moldova and is not a “joint stock company” within the meaning of Law No. 1134-XIII dated 2 April 1997 on Joint Stock Companies or an “issuer” (“emitent”) within the meaning of Law No. 171 dated 11 July 2012 on the Capital Market. The Notes are not issued under Moldovan law and are not and will not be registered with the Moldovan National Commission for Financial Markets or any entity in the Republic of Moldova and will not be offered for circulation, distribution, placement, sale, purchase or other transfer in the territory of the Republic of Moldova.

The attached information memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Initial Guarantors, the Joint Bookrunners, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the information memorandum distributed to you in electronic format and the hard copy version available to you on request from the Joint Bookrunners.



Aragvi Finance International DAC
(a designated activity company incorporated under the laws of Ireland)

U.S.\$550,000,000 11.125 per cent. Secured Notes due 2029

Guaranteed by Aragvi Holding International Ltd, "Agrofloris-Nord" S.R.L., I.C.S. "Anengrain-Group" S.R.L., "Elevatorul Iargara" S.A., I.C.S. "Flograin Group" S.R.L., "Floarea Soarelui" S.A., "Molgranum" S.R.L., "Prut" S.A., I.C.S. "Trans Bulk Logistics" S.R.L., S.C. "Trans Cargo Terminal" S.R.L., I.C.S. "Uleinord" S.R.L., I.C.S. "Unco-Cereale" S.R.L., Combinatul de cereale "Aur Alb" S.A., "Elevator Kelley Grains" S.A., I.M. "Trans Oil Refinery" S.R.L., Reniyskiy Elevator A.L.C., I.C.S. "Kelley Grains Corporation" S.R.L., I.C.S. "FFA Trans Oil Ltd", S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA

Issue Price 99.066 per cent.

The U.S.\$550,000,000 11.125 per cent. Secured Notes due 2029 (the "**Notes**") are issued by Aragvi Finance International DAC (the "**Issuer**"), a designated activity company incorporated under the laws of Ireland. Each of Aragvi Holding International Ltd (the "**Parent**" or the "**Company**"), "Agrofloris-Nord" S.R.L., I.C.S. "Anengrain-Group" S.R.L., "Elevatorul Iargara" S.A., I.C.S. "Flograin Group" S.R.L., "Floarea Soarelui" S.A., "Molgranum" S.R.L., "Prut" S.A., I.C.S. "Trans Bulk Logistics" S.R.L., S.C. "Trans Cargo Terminal" S.R.L., I.C.S. "Uleinord" S.R.L., I.C.S. "Unco-Cereale" S.R.L., Combinatul de cereale "Aur Alb" S.A., "Elevator Kelley Grains" S.A., I.M. "Trans Oil Refinery" S.R.L., I.C.S. "Kelley Grains Corporation" S.R.L., I.C.S. "FFA Trans Oil Ltd", S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA (the "**Initial Non-Ukrainian Guarantors**" and each an "**Initial Non-Ukrainian Guarantor**") will, pursuant a trust deed to be dated on or about 20 November 2024 (the "**Closing Date**" or the "**Issue Date**") between the Issuer, the Initial Guarantors, BNY Mellon Corporate Trustee Services Limited (the "**Trustee**") and CSC Trustees Limited (the "**Security Trustee**") (the "**Trust Deed**"), unconditionally and irrevocably, jointly and severally with every other Guarantor, guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed or by the Ukrainian Guarantors (as defined below) under the Suretyship Agreement (as defined below) or the Notes (the "**Initial Non-Ukrainian Guarantees**").

Reniyskiy Elevator A.L.C. (the "**Initial Ukrainian Guarantor**" and, together with the Initial Non-Ukrainian Guarantors, the "**Initial Guarantors**" and each an "**Initial Guarantor**") will, pursuant to a suretyship agreement dated on or about the Closing Date between the Issuer, the Initial Ukrainian Guarantor, the Trustee and the Security Trustee (the "**Suretyship Agreement**"), unconditionally and irrevocably, agree to ensure the due payment of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed or by the Guarantors under the Trust Deed or the Notes (the "**Initial Suretyship**" and, together with the Initial Non-Ukrainian Guarantees, the "**Initial Guarantees**" and each an "**Initial Guarantee**").

The Issuer may also be obliged to procure additional guarantees (each an "**Additional Non-Ukrainian Guarantee**" and, together with the Initial Non-Ukrainian Guarantees, the "**Non-Ukrainian Guarantees**") and/or additional suretyships (each an "**Additional Suretyship**" and, together with the Initial Suretyship, the "**Suretyships**" and each a "**Suretyship**"), as the case may be, of the Issuer's obligations under the Trust Deed and the Notes or the Guarantors' obligations under the Suretyship Agreement, the Trust Deed or the Notes by certain of its subsidiaries (each, an "**Additional Guarantor**" and, together with the Initial Guarantors, the "**Guarantors**") in the circumstances set out and as provided in Conditions 2.2 (*Additional Guarantees and Additional Suretyships*) and 3.10 (*Additional Guarantees*) of the Terms and Conditions of the Notes set out in the section of this Information Memorandum entitled "Terms and Conditions of the Notes" (the "**Conditions**").

Interest on the Notes will accrue from the Closing Date and will be payable semi-annually in arrear on 20 May and 20 November in each year, commencing on 20 May 2025.

The Notes mature on 20 November 2029 but may be redeemed by the Issuer at any time on or after 20 November 2026 in whole, but not in part, at redemption prices set forth in this Information Memorandum, as more particularly described in Condition 5.2 (*Optional Redemption*). Prior to 20 November 2026, the Issuer will be entitled, at its option, to redeem the Notes in whole, but not in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, if any, plus a "make-whole" premium, as more particularly described in Condition 5.7 (*Redemption at Make Whole*). In addition, prior to 20 November 2026, the Issuer may redeem, at its option, up to 40 per cent. of the Notes with the net proceeds from certain equity offerings, as more particularly described in Condition 5.3 (*Optional Redemption in the Event of an Equity Offering*). If the Parent undergoes certain events defined as constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 100 per cent. of their principal amount, plus accrued and unpaid interest, if any, as more particularly described in Condition 5.4 (*Redemption of at the Option of the Holders Upon a Change of Control*). The Issuer may also redeem the Notes in whole, but not in part, at their principal amount together with any accrued and unpaid interest, if the Issuer (or, if the Guarantees were called, one or more of the Guarantors) has or will become obliged to pay certain additional amounts as further described in Condition 5.5 (*Redemption for Taxation Reasons*).

The Noteholders and the other Secured Creditors (as defined in the Conditions) will share in the benefit of the Security, as defined and as more specifically described in the Conditions.

The Notes will rank senior to all of the Issuer's and the Guarantors' existing and future indebtedness that is subordinated in right of payment to the Notes. The Notes will be constituted by, and have the benefit of, the Trust Deed.

Investing in the Notes involves risks. See "*Risk Factors*" starting on page 14 for a discussion of certain factors that should be considered in connection with an investment in the Notes.

The Notes and the Initial Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States (the "**Regulation S Notes**") in reliance on Regulation S under the Securities Act ("**Regulation S**") and within the United States (the "**Rule 144A Notes**") to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") in reliance on and in compliance with Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and the Initial Guarantees and distribution of the Information Memorandum (the "**Information Memorandum**"), see "*Subscription and Sale*" and "*Transfer Restrictions*". The Information Memorandum is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

Application has been made to Wiener Börse AG (the "**Vienna Stock Exchange**") for the Notes to be included in trading on the Vienna MTF of the Vienna Stock Exchange, a multilateral trading facility (the "**Vienna MTF**"). References in this Information Memorandum to the Notes being "listed" (and all related references) shall mean that the Notes have been included in trading on the Vienna MTF. The Vienna MTF is not a regulated market for the purpose of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"). There is no assurance that a trading market in the Notes will develop or be maintained.

The Notes are expected to be rated "B" by S&P Global Ratings Europe Limited (EU) ("**S&P**") and "B+" by Fitch Ratings – Ireland Limited ("**Fitch**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Each of Fitch and S&P is established in the European Union (the "**EU**") and registered under the Regulation (EC) No. 1060/2009 (the "**CRA Regulation**").

Notes which are offered and sold in offshore transactions in reliance on Regulation S will be represented by beneficial interests in an unrestricted global Note (the "**Regulation S Global Note**") in registered form, without interest coupons attached, which will be registered on or about the Closing Date in the name of The Bank of New York Depository (Nominees) Limited as nominee of the common depository for, and in respect of interests held through, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, SA ("**Clearstream, Luxembourg**"). Notes which are offered and sold in reliance on Rule 144A will be represented by beneficial interests in a restricted global Note (the "**Rule 144A Global Note**" and, together with the Regulation S Global Note, the "**Global Notes**") in registered form, without interest coupons attached, which will be deposited on or about the Closing Date with a custodian for, and registered in the name of Cede&Co. as nominee for, The Depository Trust Company ("**DTC**"). The Global Notes will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive, fully registered, form, without interest coupons, in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. See "*Summary of Provisions relating to the Notes in Global Form*". Interests in the Rule 144A Global Note will be subject to certain restrictions on transfer. See "*Transfer Restrictions*". Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg and their participants. It is expected that delivery of the Global Notes will be made on or about the Closing Date. Except as described herein, certificates for Notes will not be issued in exchange for beneficial interests in the Global Notes.

The Issuer will use the proceeds received from the issue and sale of the Notes in the amount of approximately U.S.\$502.2 million to finance the purchase of any or all of the U.S.\$500,000,000 8.45 per cent. Secured Notes due 2026 issued by the Issuer (the "**2026 Notes**") tendered and accepted for purchase in accordance with the terms and conditions of the Tender Offer (as described herein) and the redemption of the 2026 Notes remaining outstanding after the Tender Offer upon the approval of the Mandatory Early Redemption (as defined herein), as well as the payment of any early consent and transaction fees in connection therewith, all pursuant to the Tender Offer and Consent Solicitation (as defined herein) launched by the Issuer on 28 October 2024. The remaining proceeds received from the issue and sale of the Notes will be used to refinance existing indebtedness of the Group and for the transaction fees and expenses thereof.

None of the Issuer, the Initial Guarantors, the Trustee and the Joint Bookrunners has authorised anyone to provide you with different information, and you should not rely on any such information. None of the Issuer, the Initial Guarantors, the Joint Bookrunners is making an offer of these securities in any jurisdiction where such an offer is not permitted. You should not assume that the information contained in this Information Memorandum is accurate as of any date other than the date on the front of the Information Memorandum.

Joint Global Coordinators and Joint Bookrunners

Citigroup

ING

Oppenheimer

Joint Bookrunners

Raiffeisen Bank International

UniCredit

The date of this Information Memorandum is 15 November 2024

IMPORTANT INFORMATION ABOUT THE INFORMATION MEMORANDUM

The Information Memorandum is for the purpose of giving information with regard to the Issuer, the Initial Guarantors and their consolidated subsidiaries taken as a whole (the “**Group**”), the Notes and the Initial Guarantees, which, according to the particular nature of the Issuer, the Initial Guarantors, the Group, the Notes and the Initial Guarantees, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Initial Guarantors and the Group and the rights attaching to the Notes and the Initial Guarantees. The Issuer and the Initial Guarantors each accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer and the Initial Guarantors (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. This Information Memorandum does not comprise a prospectus for the purposes of the Prospectus Regulation.

THE NOTES ARE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. AN INVESTMENT IN THE NOTES IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF ALL OR PART OF THE INVESTMENT.

No person is authorised to give any information or to make any representation in connection with the offer or sale of the Notes other than as contained in this Information Memorandum and any information or representation not so contained must not be relied upon as having been authorised by the Issuer, the Initial Guarantors, the Trustee, the Security Trustee or any Joint Bookrunner (as defined in “*Subscription and Sale*”). Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Initial Guarantors or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Initial Guarantors or the Group since the date hereof or that the information contained in it is correct as of any time subsequent to the date on which it is supplied. No representation or warranty, express or implied, is made by any Joint Bookrunner, the Security Trustee or the Trustee as to the accuracy or completeness of such information. None of the Joint Bookrunners, the Security Trustee or the Trustee accepts any responsibility whatsoever for the contents of this Information Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Issuer, the Initial Guarantors, the Notes or the Initial Guarantees. Each of the Joint Bookrunners, the Security Trustee and the Trustee accordingly disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement.

This Information Memorandum does not constitute an offer to sell, or a solicitation to subscribe for or purchase, by or on behalf of the Issuer, the Initial Guarantors, any Joint Bookrunner or any other person, any of the Notes in any jurisdiction where it is unlawful for such person to make such offer or solicitation. The distribution of this Information Memorandum and the offer and sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Information Memorandum may come are required by the Issuer, the Initial Guarantors and the Joint Bookrunners to inform themselves about and to observe such restrictions. This Information Memorandum may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful. Further information with regard to restrictions on offers and sales of the Notes and the distribution of this Information Memorandum is set out under “*Subscription and Sale*”.

No action has been or will be taken to permit a public offering of the Notes or the distribution of this Information Memorandum (in any form) in any jurisdiction where action is required for such purposes.

None of the Issuer, the Guarantors, the Joint Bookrunners, the Trustee, the Security Trustee or any of its or their respective representatives or affiliates makes any representation to any offeree or purchaser of Notes offered hereby regarding the legality of an investment by such offeree or purchaser under applicable legal, investment or similar laws. The contents of this Information Memorandum should not be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Notes.

To the fullest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the Notes, the Trust Deed or the Agency Agreement (each as defined herein) (including the effectiveness thereof) or the contents of this Information Memorandum or for any other statement, made or purported to be made by a Joint Bookrunner or on its behalf in connection with the Issuer, the Guarantors, the issue and offering of the Notes, the giving of the Guarantees or the

granting of the Security. Each Joint Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of the Notes, the Trust Deed, the Agency Agreement, this Information Memorandum or any such statement.

In connection with the Offering of the Notes, the Joint Bookrunners and any of their respective affiliates, acting as investors for their own accounts, may purchase Notes and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Notes and other securities of the Issuer or the Initial Guarantors or related investments in connection with the Offering of the Notes or otherwise. Accordingly, references in this Information Memorandum to the Notes being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Joint Bookrunners and any of their affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Recipients of this Information Memorandum are authorised to use it solely for the purpose of considering an investment in the Notes and may not reproduce, forward or distribute this Information Memorandum, in whole or in part, and may not disclose any of the contents of this Information Memorandum or use any information herein for any purpose other than considering an investment in the Notes.

None of the Issuer, the Initial Guarantors, the Joint Bookrunners, the Security Trustee or the Trustee is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment by such offeree or purchaser.

The Joint Bookrunners and their respective affiliates may have performed and expect to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non-public market financing for, and enter into derivative transactions with, the Issuer, the Parent and its affiliates (including its shareholders and the Initial Guarantors).

Prior to making any decision as to whether to invest in the Notes, prospective investors should read this Information Memorandum. In making an investment decision, prospective investors must rely upon their own examination of the Issuer, the Group and the Initial Guarantors and the terms of this Information Memorandum, including the risks involved.

If investors are in any doubt about the contents of this Information Memorandum, investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.

Any investment in Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purpose of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance**

Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO PROSPECTIVE U.S. INVESTORS

THE NOTES AND THE INITIAL GUARANTEES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE NOTES AND THE INITIAL GUARANTEES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO QIBs IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144A (SEE “SUBSCRIPTION AND SALE”). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF ANY RULE 144A NOTE MAY BE RELYING UPON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

In connection with the issue of the Notes, Citigroup Global Markets Limited (the “**Stabilisation Manager**”) (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Certain Terminology

In this Information Memorandum, the following terms have the following meanings:

“**Issuer**” means Aragvi Finance International DAC;

“**Parent**” means Aragvi Holding International Ltd.;

“**Initial Guarantors**” mean the Initial Non-Ukrainian Guarantors and the Initial Ukrainian Guarantor;

“**Initial Non-Ukrainian Guarantors**” mean Aragvi Holding International Ltd., “Agrofloris-Nord” S.R.L., I.C.S. “Anengrain-Group” S.R.L., “Elevatorul Iargara” S.A., I.C.S. “Flograin Group” S.R.L., “Floarea Soarelui” S.A., “Molgranum” S.R.L., “Prut” S.A., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., I.C.S. “Unco-Cereale” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelley Grains” S.A., I.M. “Trans Oil Refinery” S.R.L., I.C.S. “Kelley Grains Corporation” S.R.L., I.C.S. “FFA Trans Oil Ltd”, S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA.;

“**Initial Ukrainian Guarantor**” means Reniyskiy Elevator A.L.C.;

“**Guarantees**” mean together the Non-Ukrainian Guarantees and the Suretyships;

“**Moldovan Guarantors**” mean the Guarantors incorporated in Moldova;

“**Moldovan Pledgors**” mean “Agrofloris-Nord” S.R.L., “Elevatorul Iargara” S.A., “Floarea Soarelui” S.A., “Molgranum” S.R.L., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelley Grains” S.A. and I.M. “Trans Oil Refinery” S.R.L.;

“**Pledgors**” mean the Issuer, the Initial Ukrainian Guarantor and the Moldovan Pledgors; and

“**VictoriaOil**” means “Victoriaoil” d.o.o. SID.

All references to “**US**”, “**U.S.**” and “**United States**” are to the United States of America, all references to “**U.K.**” and “**United Kingdom**” are to the United Kingdom of Great Britain and Northern Ireland and all references to the “**EU**” are to the European Union and its member states as of the date of this Information Memorandum. All references to the “**CIS**” are to the following countries that formerly comprised the Union of Soviet Socialist Republics and that are now members of the Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine and Uzbekistan. All references to “**Moldovan Leu**”, “**Leu**”, “**Lei**” or “**MDL**” are to the currency of Moldova, “**UAH**” and “**Hryvnia**” are to the currency of Ukraine, “**RON**” and “**Romanian Leu**” are to the currency of Romania, “**RSD**” and “**Serbian Dinar**” are to the currency of Serbia, “**rouble**” are to the currency of the Russian Federation (“**Russia**”), “**€**”, “**EUR**” and “**Euro**” are to the currency of the participating Member States in the third stage of the Economic and Monetary Union of the Treaty Establishing the European Community and “**USD**”, “**U.S.\$**”, “**U.S. dollar**” and “**dollar**” are to the currency of the United States of America.

Presentation of Certain Financial Information

The Group’s financial year end is 30 June of each year. This Information Memorandum includes audited consolidated financial statements for Aragvi Holding International Ltd and its subsidiaries as of and for the financial year ended 30 June 2024 (including comparative information in respect of the financial year ended 30 June 2023) (the “**2024 Consolidated Financial Statements**”) and as of and for the financial year ended 30 June 2023 (including comparative information in respect of the financial year ended 30 June 2022) (the “**2023 Consolidated Financial Statements**” and, together with the 2024 Consolidated Financial Statements, the “**Consolidated Financial Statements**”).

The Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and with the requirements of Cyprus Companies Law, Chapter 113 (as amended from time to time). The Consolidated Financial Statements have been audited by the Group’s independent auditors, KPMG Limited. KPMG Limited’s address is Millennium Lion House, 1 G. Aradippioti Street, 6016 Larnaca, Cyprus. KPMG Limited is a member of the Institute of Certified Public Accountants of Cyprus.

References in this Information Memorandum to “FY 2024/25”, “FY 2023/24”, “FY 2022/23” and “FY 2021/22” refer to the twelve-month periods ended 30 June 2025, 2024, 2023 and 2022, respectively.

Presentation of Non-IFRS Measures

This Information Memorandum includes certain non-IFRS measures, including EBITDA; EBITDA Margin; Net Debt; Adjusted Net Debt; gross profit margin; net profit margin; Interest Coverage; Adjusted Net Debt to EBITDA ratio; Fixed Charge Coverage Ratio; Cash Conversion Cycle; Working Capital; and Net Working Capital (together, the “**Supplemental Non-IFRS Measures**”). The Supplemental Non-IFRS Measures are presented as supplemental measures of the Group’s operating performance and the Group uses each of these measures as performance indicators of the Group’s business and to provide both management and investors with a supplemental tool to assist in evaluating current business performance. The Group believes the Supplemental Non-IFRS Measures are frequently useful for securities analysts, investors and other interested parties in the evaluation of companies in the Group’s industry. The Supplemental Non-IFRS Measures have limitations as analytical tools, and investors should not consider any of them in isolation, or any combination of them together, as a substitute for analysis of the Group’s operating results as reported under IFRS. Other companies in the Group’s industry may calculate these Supplemental Non-IFRS Measures differently or may use them for different purposes compared to the Group, limiting their usefulness as comparative measures.

Each of the Supplemental Non-IFRS Measures are defined below.

- EBITDA, which the Group uses as a key measure of operating performance, is defined for any reporting period as profit before tax, adding back net finance costs, depreciation and amortisation. In the year ended 30 June 2023, the Group excluded a one-time impairment charge of fixed assets from EBITDA. In the year ended 30 June 2022, the Group excluded a one-time gain on a bargain purchase of Serbian assets from EBITDA;
- EBITDA margin, which the Group uses as a key measure of its operating performance, is defined as EBITDA as a percentage of revenue for the last twelve months;
- Net Debt, which the Group uses as a measure of its indebtedness, is defined at any reporting date as the sum of bonds issued, current and non-current borrowings less cash and cash equivalents;
- Adjusted Net Debt, which the Group uses as a measure of its indebtedness tailored to the specifics of its business, is defined at any reporting date as Net Debt less the sum of outstanding debt under the shareholder’s loan and 75 per cent. of the Group’s RMI balance on the relevant date (see “—*Readily Marketable Inventories*”);
- Gross profit margin, which the Group uses as a measure of its operating performance, is defined as the difference between revenue and cost of sales expressed as a percentage of revenue;
- Net profit margin, which the Group uses as a measure of its profitability, is defined as net profit expressed as a percentage of revenue;
- Interest Coverage, which the Group uses as a measure of its capacity to meet interest payment obligations, is defined as EBITDA divided by the sum of interest expenses and interest on bonds issued for the last twelve months;
- Adjusted Net Debt to EBITDA ratio, which the Group also uses as a measure of its capacity to meet payment obligations, is defined as Adjusted Net Debt as of the end of a reporting period divided by EBITDA for the last twelve months;
- Fixed Charge Coverage Ratio, which the Group uses as a measure of its capacity to meet financial obligations, is defined as EBITDA divided by the sum of interest expenses, interest on bonds issued, loan commissions, bank commissions, amortisation of bonds issued and lease interest expense and Oaktree exit fee for the last twelve months;
- Cash Conversion Cycle, which the Group uses as a measure of its ability to quickly convert resource inputs into cash through sales to its customers, which is defined for any year as the sum of the Inventories Cash Conversion Cycle and the Trade and Other Receivables Cash Conversion Cycle less the Payables Cash Conversion Cycle (as these terms are defined below) for the period:
 - Inventories Cash Conversion Cycle is defined as the average of inventories as of the end of the year and as of the end of the previous year, multiplied by 365 and divided by cost of sales for the year;

- Trade and Other Receivables Cash Conversion Cycle is defined as the average of trade and other receivables as of the end of the year and as of the end of the previous year, multiplied by 365 and divided by revenue for the year; and
- Payables Cash Conversion Cycle is defined as the average of payables as of the end of the year and as of the end of the previous year, multiplied by 365 and divided by cost of sales for the year;
- Working Capital, which the Group uses as a measure of its capital used in day-to-day operations, which is defined for any reporting date as the sum of inventories, trade and other receivables (including trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given), advances to suppliers and cash and cash equivalents less trade and other payables; and
- Net Working Capital, which the Group uses as a measure of its capital used in day-to-day operations, defined for any reporting date as the Working Capital less advances to suppliers and cash and cash equivalents.

See “*Selected Consolidated Financial and Operating Information*” for reconciliation between Non-IFRS Measures and IFRS information.

The Group relies primarily on its IFRS operating results and uses the Supplemental-Non IFRS Measures on a supplemental basis. See the Consolidated Financial Statements included elsewhere in this Information Memorandum. The Supplemental Non-IFRS Measures are not defined by, or presented in accordance with, IFRS. The Supplemental Non-IFRS Measures are not measurements of the Group’s operating performance under IFRS and should not be considered as alternatives to revenue, gross profit, operating profit, net cash generated by operating activities or any other measures of performance under IFRS or as alternatives to cash generated from operations or as measures of the Group’s liquidity. In particular, the Supplemental Non-IFRS Measures should not be considered as measures of discretionary cash available to the Group to invest in the growth of its business.

The Group views EBITDA and EBITDA margin as key measures of the Group's performance. The Group believes that these measures better reflect the Parent and its subsidiaries' core operating activities and provide both management and investors with information regarding operating performance which is more useful in evaluating the financial position of the Parent and its subsidiaries than traditional EBITDA measures, due to the exclusion of external factors unrelated to their performance. EBITDA and EBITDA margin have limitations as analytical tools, and investors should not consider these measures in isolation, or in any combination with other Supplemental Non-IFRS Measures as a substitute for analysis of the Group's operating results as reported under IFRS. Some of these limitations are as follows:

- EBITDA and EBITDA margin do not reflect the impact of financing costs, which can be significant and could further increase if the Group incurs more borrowings, on the Group’s operating performance;
- EBITDA and EBITDA margin do not reflect the impact of income taxes on the Group’s operating performance;
- EBITDA and EBITDA margin do not reflect the impact of depreciation and amortisation on the Group's performance. The assets of the Group which are being depreciated, depleted and/or amortised will need to be replaced in the future and such depreciation and amortisation expense may approximate the cost of replacing these assets in the future. By excluding this expense from EBITDA and EBITDA margin, such measures do not reflect the Group's future cash requirements for these replacements;
- EBITDA and EBITDA margin do not reflect the impact of foreign exchange gain/(loss), which the Group does not consider to be part of its core operating performance because the Group's exchange gains and losses primarily arise from differences between functional and presentation currencies in the normal course of business; and
- EBITDA and EBITDA margin do not reflect the impact of certain other expenses (such as foreign exchange, bank and loan commissions), as such expenses are not a part of the Group’s operations.

Readily Marketable Inventories

This Information Memorandum also includes information related to readily marketable inventories (“**RMI**”) and Adjusted Net Debt. RMI includes agricultural inventories, namely vegetable oils and meal, wheat, corn and other grains, oilseed and other agricultural commodities which have been purchased by the Group with the intent to be sold. These are treated by the Group as readily convertible into cash because of their commodity characteristics and widely available markets and international pricing mechanisms. The Group calculates RMI as cereals purchased for resale and own production as per

Note 10 to the 2024 Annual Consolidated Financial Statements. Adjusted Net Debt is calculated as Net Debt less the sum of outstanding debt under the shareholder's loan and 75 per cent. of the Group's RMI balance on the relevant date. The Group's commodities are highly liquid and can be easily converted into cash. However, for purposes of the calculation of Adjusted Net Debt, the Group applies a 25 per cent. haircut to the commodities' book value to adjust for possible market value fluctuations and selling expenses.

RMI and Adjusted Net Debt are presented as supplemental measures of the Group's liquidity, which the Group uses to provide a supplement tool to assist management and investors in evaluating current business performance and in calculating credit ratios under certain of the Group's financing arrangements. RMI and Adjusted Net Debt have limitations as analytical tools, and investors should not consider these metrics in isolation, or as a substitute for analysis of the Group's liquidity as reported under IFRS. Other companies in the Group's industry may calculate RMI and Adjusted Net Debt differently or may use them for different purposes than the Group, limiting their usefulness as comparative measures.

The Group relies primarily on its IFRS operating results and uses RMI and Adjusted Net Debt on a supplemental basis. See the Consolidated Financial Statements included elsewhere in this Information Memorandum. RMI and Adjusted Net Debt are not defined by, or presented in accordance with, IFRS, are not measurements of the Group's operating performance under IFRS and should not be considered as alternatives to revenue, gross profit, operating profit, net cash generated by operating activities or any other measures of performance under IFRS or as alternatives to cash generated from operations or as measures of the Group's liquidity. In particular, RMI and Net Debt should not be considered as measures of discretionary cash available to the Group to invest in the growth of its business.

Market and Industry Data

The industry publications and official data published by certain government and international agencies and organisations, namely the United States Department of Agriculture (the "USDA"), the International Monetary Fund (the "IMF"), the Bureau for Food and Agricultural Policy ("BFAP"), the Economist Intelligence Unit ("EIU"), the OECD Food and Agriculture Organisation (the "OECD-FAO"), the Research Institute of Organic Agriculture (the "FiBL"), the State Hydrometeorological Service of Moldova (the "SHS"), the State Statistics Service of Ukraine ("SSSU"), the National Bank of Moldova ("NBM"), the National Bureau of Statistics of Moldova ("NBS"), the National Sunflower Association (the "NSA") and Bloomberg L.P. ("Bloomberg") contained in "Industry Overview", "Business" and other sections of this Information Memorandum have been derived from publicly available information.

The Group has relied on the accuracy of such information without carrying out an independent verification thereof. This information has been accurately reproduced and, as far as the Group is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers.

References in this Information Memorandum to "tonnes" or "tonnage" are to metric tonnes.

References in this Information Memorandum to "capacity" at the Group's processing plants are to the overall design capacity, which does not necessarily represent the amount produced at the plant in any given year, which is instead referred to as the crude oil production for the plant.

References in this Information Memorandum to "self-liquidating" indebtedness are to trade credit facilities being repaid out of the proceeds from the sale of commodities acquired with the funds obtained under the relevant trade credit facilities.

Certain figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

FORWARD-LOOKING STATEMENTS

Certain statements in this Information Memorandum are not historical facts and are “forward-looking” within the meaning of Section 27A of the Securities Act and Section 21E of U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”). These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, “could” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, business prospects, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Information Memorandum and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group business, results of operations, financial position, liquidity, prospects, growth, strategies and the property development industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial position and liquidity, and the development of the markets and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Information Memorandum. In addition, even if the Group’s results of operations, financial position and liquidity, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Information Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, among other things, those described in the section headed “*Risk Factors*”, as well as those included elsewhere in this Information Memorandum.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statement in this Information Memorandum reflects the Group’s current view with respect to future events and is subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s business, results of operations, financial position, liquidity, prospects, growth, strategies and the Group’s industry. Investors should specifically consider the factors identified in this Information Memorandum, which could cause actual results to differ before making an investment decision. Subject to the applicable disclosure and listing rules, the Issuer undertakes no obligation to publicly release the result of any revisions to any forward-looking statements in this Information Memorandum that may occur due to any change in the Group’s expectations or to reflect events or circumstances that occur after the date of this Information Memorandum.

AVAILABLE INFORMATION

Each of the Issuer and the Initial Guarantors has agreed that, for so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

This Information Memorandum is being furnished by the Issuer and the Initial Guarantors in connection with an offering exempt from the registration requirements of the Securities Act solely for the purpose of enabling a prospective investor to consider the acquisition of Notes described herein. The information contained in this Information Memorandum has been provided by the Issuer, the Initial Guarantors and other sources identified herein. Any reproduction or distribution of this Information Memorandum, in whole or in part, in the United States and any disclosure of its contents or use of any information herein in the United States for any purpose is prohibited. Each potential investor in the Notes, by accepting delivery of this Information Memorandum, agrees to the foregoing.

ENFORCEABILITY OF JUDGMENTS

The Issuer is organised under the laws of Ireland. For the jurisdictions of incorporation of the Guarantors, see “*Description of the Guarantors*”. None of the directors and executive officers of the Issuer or the Initial Guarantors are residents of the United Kingdom, and all or a substantial portion of the assets of the Issuer and the Initial Guarantors and such persons are located outside the United Kingdom. As a result, it may not be possible for investors to effect service of process within United Kingdom upon the Issuer and the Guarantors or such persons or to enforce against any of them in the United Kingdom courts judgments obtained in the courts of the United Kingdom.

Ireland

The courts of Ireland will not automatically recognise and/or enforce any judgment obtained in a court established in a country other than Ireland unless such enforcement is envisaged by an international treaty to which Ireland is a party providing for recognition and enforcement of such judgments and then only in accordance with the terms of such treaty.

We have been advised by counsel that the United Kingdom currently does not have a treaty with Ireland providing for reciprocal automatic recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any English court based on civil liability would not automatically be recognised and enforceable in Ireland. A judgment of the English courts will be enforced by the Irish courts if the following general requirements are met: (i) the procedural rules of the English court must have been observed and the English court must have had jurisdiction in relation to the particular defendant according to Irish conflicts of law rules (the submission to jurisdiction by the defendant would satisfy this title); and (ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive. However, the Irish courts may refuse to enforce a judgment of the English courts which meets the above requirements for one of the following reasons: (a) if the judgment is not for a definite sum of money; (b) if the judgment was obtained by fraud or trick; (c) if the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice; (d) if the judgment is contrary to Irish public policy or involves certain English laws which will not be enforced in Ireland; or (e) if jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Irish Superior Courts Rules.

We have also been advised by counsel that Ireland is party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the “**New York Convention**”). Consequently, an arbitral award obtained in England (which is also party to the New York Convention) should be recognised and enforced by an Irish court in accordance with the procedure and subject to the matters set out in the New York Convention without re-examination of the merits of the case.

Cyprus

The courts of the Republic of Cyprus will not recognise and/or enforce any judgment obtained in a court established in a country other than the Republic of Cyprus unless such enforcement is envisaged by an international treaty to which the Republic of Cyprus is a party providing for enforcement of such judgments and then only in accordance with the terms of such treaty.

The Regulation (EU) no 1215/2012 on the Jurisdiction and Recognition and Enforcement of Judgments in Civil and Commercial Matters (recast) (the “**Brussels Regulation**”) is directly applicable in the Republic of Cyprus. Provided that neither Article 45 or Article 46 of the Brussels Regulation is applicable, any final judgment obtained in a court of a Member State to which the aforementioned regulations apply coming within the scope of the Regulations would be recognised and enforced in the Republic of Cyprus.

In relation to an English judgment, judgments of the High Court Justice, Court of Appeal and the Supreme Court of England and Wales will be capable of recognition and enforcement in Cyprus pursuant to Foreign Judgments (Reciprocal Enforcement) Law of 1935, Cap 10.

The Republic of Cyprus is also party to the New York Convention. Consequently, a foreign arbitral award obtained in a state which is party to the New York Convention should be recognised and enforced by a Cypriot court in accordance with the procedure and subject to the matters set out in the New York Convention and the Cypriot International Arbitration Law No. 101/87 (as amended) without re-examination of the merits of the case.

Ukraine

The courts of Ukraine will not recognise and enforce any judgment obtained in a court established in a country other than Ukraine unless such enforcement is envisaged by an international treaty to which Ukraine is a party providing for enforcement of such judgments, and then only in accordance with the terms of such treaty. There is no such treaty in effect between the United Kingdom and Ukraine.

In the absence of an international treaty providing for enforcement of judgments, the courts of Ukraine may recognise and enforce a foreign court judgment on the basis of the principle of reciprocity. Unless proven otherwise, reciprocity is deemed to exist in relations between Ukraine and the country where the judgment was rendered. The recent court practice demonstrates that the Ukrainian courts generally recognise judgments rendered by the courts of the United Kingdom on the basis of the principle of reciprocity. However, in specific cases, such recognition and enforcement may be refused on the other legal grounds provided by the applicable Ukrainian legislation.

Among other things, the recognition and enforcement of a foreign court judgment or arbitral award with respect to the Ukrainian Mortgage will likely be refused by the Ukrainian courts for the reason that Ukrainian legislation provides for an exclusive jurisdiction of the Ukrainian courts over the disputes concerning any immovable property located in Ukraine. Accordingly, any dispute or claim related to the Ukrainian Mortgage would need to be submitted to and reviewed by a competent Ukrainian court.

The transaction documents (other than the Ukrainian Mortgage) provide for resolution of disputes by arbitration under the LCIA Arbitration Rules with the seat of arbitration in London, England. Ukraine and the United Kingdom are parties to the New York Convention. Consequently, a foreign arbitral award obtained in a state which is party to the New York Convention, such as the United Kingdom, should be recognised and enforced by a Ukrainian court (under the terms of the New York Convention) subject to compliance with the procedural requirements set out by the Ukrainian legislation. The Ukrainian Mortgage provides for resolution of disputes by Ukrainian courts.

Enforceability of court judgments or arbitral awards in Ukraine may be hindered or restricted if the currently ongoing Russian military aggression in Ukraine results in the disruption of operation of Ukrainian courts, enforcement service, banks or other elements of the enforcement system, or if legislative restrictions in response to the wartime challenges are introduced in Ukraine that restrict or otherwise adversely affect the operation of courts, enforcement service, banks or other elements of the enforcement system.

Moldova

The courts of Moldova will not recognise or enforce any judgment obtained in a court established in a country other than Moldova unless such enforcement is envisaged by an international treaty to which Moldova is a party providing for enforcement of such judgments, and then only in accordance with the terms of such treaty. There is no such treaty between the United Kingdom and Moldova providing for enforcement of judgments.

In the absence of an international treaty providing for enforcement of judgments, the courts of Moldova may only recognise and enforce foreign judgments based on the principle and practice of reciprocity. Currently, there are no official binding rules or guidelines on the application of reciprocity by the courts of Moldova, and it is therefore uncertain as to whether and on what terms a Moldovan court would recognise and enforce a court judgment rendered in the United Kingdom.

The courts of Moldova would only recognise and enforce judgments subject to the limitations and in line with the procedure set out in Moldovan procedural laws. The courts of Moldova would not recognise foreign judgments ordering holding or interim measures.

The courts of Moldova may refuse to recognise and enforce foreign arbitral awards with regard to the enforcement of any mortgage of immovable assets located in Moldova and granted by a Moldovan Pledgor due to the fact that Moldovan courts have exclusive general jurisdiction with regard to disputes over immovable assets located in Moldova.

Moldova is a party to the New York Convention. Consequently, a foreign arbitral award obtained in a state which is a party to the New York Convention, such as the United Kingdom, should be recognised and enforced by a Moldovan court (under the terms of the New York Convention) subject to compliance with procedural requirements and limitations under Moldovan law.

Switzerland

The following summarises certain matters of Swiss law as currently in force and applied. A final and conclusive judgment in civil or commercial matters of a competent court or authority in the United Kingdom or in the United States, respectively, will be recognized and enforced by Swiss courts against an individual or a legal entity with legal domicile or seat in Switzerland (such as TOI Commodities SA, Visions Holding SA or any Additional Guarantor incorporated in Switzerland (an “**Additional Swiss Guarantor**”)) pursuant to and to the extent provided by articles 25 *et seqq.* of the Swiss Federal Act on Private International Law (“**PILA**”). A final award of an arbitral tribunal (as provided in Condition 18.2 of the Conditions) would be recognised and enforced by Swiss courts pursuant to and to the extent provided by the New York Convention.

On 1 January 2025, Switzerland will join the Hague Convention on the choice of court agreements (the “**Hague Convention**”), which applies to exclusive choice-of-court proceedings concluded in civil or commercial matters in international situations. The Hague Convention regulates both the validity of exclusive choice-of-court agreements and the recognition and enforcement of judgments resulting from proceedings based on such agreements in all contracting states. The United Kingdom is also a contracting state to the Hague Convention.

Enforcement of a final and conclusive judgment of a competent court in the United Kingdom or the United States or a final award of an arbitral tribunal, respectively, may be limited by general principles of Swiss public policy (*Schweizerischer Ordre public*), as provided in article 17 and article 18 PILA, article 9 Hague Convention and the New York Convention, respectively. Enforcement of a judgment or an arbitral award may furthermore be limited by general principles of law, and insolvency, reorganisation, liquidation, moratorium or other similar laws restricting creditors’ rights in enforcement and similar proceedings as such laws would apply in the event of an insolvency, or other similar proceedings with respect to TOI Commodities SA, Visions Holding SA and/or any Additional Swiss Guarantor or in the event of any moratorium or similar occurrence affecting TOI Commodities SA, Visions Holding SA and/or any Additional Swiss Guarantor.

Under Swiss law, any amount denominated in a foreign currency and ordered to be paid pursuant to a final judgment will be enforced by Swiss debt collection authorities (*Schweizerische Zwangsvollstreckungsbehörden*) and must be converted into Swiss Francs.

Due to the nature of enforcement proceedings in Switzerland, no statement can be made as to the time required to obtain recognition and enforcement of a judgment in Switzerland.

Judicial documents may not be served directly from abroad on a person in Switzerland (see Switzerland’s reservation to the Hague Convention on Service Abroad of Judicial or Extra Judicial Documents in Civil and Commercial Matters concluded on 15 November 1965) and service must be effected by way of judicial assistance.

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OVERVIEW OF THE GROUP

The following section summarises material information that appears later in this Information Memorandum and is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Information Memorandum. This summary may not contain all of the information that may be important to the investor. You should read this entire document, including the Consolidated Financial Statements and related Notes thereto and the section entitled "Risk Factors", before making an investment decision in the Notes. The meanings of terms not defined in this summary can be found elsewhere in this Information Memorandum.

The Group is a leading agro-industrial business in the CEE region. In addition to being the largest originator, processor and exporter of agri-commodities in Moldova, the Group has expanded its origination and processing activities into Romania, Serbia and other CEE countries.

In FY 2023/24, the Group sold 5,323 thousand tonnes of agricultural commodities. The Group originated nearly 62 per cent. and 23 per cent. of all sunflower seeds and wheat, respectively, produced in Moldova in FY 2023/24, according to the Company's calculations based on USDA data. The Group was the largest exporter of agricultural commodities in Moldova, with a share of 36 per cent. of the country's exports of agri-commodities in FY 2023/24, according to the Company's calculations based on USDA data.

The Group has been successfully diversifying its origination operations, with 90 per cent. of origination and marketing revenue attributable to the origination and marketing activities in the CEE region based on the country from which the commodities were sourced (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil based on the country where the commodities were sourced (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively) in FY 2023/24. 32 per cent., 30 per cent., 17 per cent., 16 per cent. and 3 per cent. of the Group's EBITDA was attributable to Ukraine, Moldova, Serbia, Romania and Argentina based on the country where the commodities were sourced in FY 2023/24, respectively. As of 30 June 2024, 56 per cent. 27 per cent., 10 per cent. and 7 per cent. of the Group's non-current assets were located in Moldova, Serbia, Romania and Ukraine, respectively.

For FY 2023/24, 38.2 per cent. of the Group's origination and marketing revenue was attributable to customers located in the MENA region (with 10.2 per cent., 8.1 per cent. and 6.2 per cent. of total origination and marketing revenue attributable to Egypt, Iraq and Oman, respectively), 22.4 per cent. to the European Union (with 9.6 per cent. and 3.8 per cent. of total origination and marketing revenue attributable to Spain and Bulgaria, respectively), 18.5 per cent. to Asia (with 11.5 per cent. and 5.3 per cent. of total origination and marketing revenue attributable to India and Singapore, respectively) and 17.0 per cent. to Türkiye. Only 2.5 per cent., 0.4 per cent. and 0.9 per cent. of total origination and marketing revenue was attributable to Serbia, Moldova and Romania respectively. In terms of total revenue, 47 per cent., 33 per cent., 19 per cent. and 1 per cent. was attributable to the MENA region and Türkiye, the European Union and Serbia, Asia and Moldova, respectively in FY 2023/24.

The Group's business is vertically integrated, with operations across the entire value chain. The Group was the largest agri-processor in Moldova, accounting for over 94 per cent. of sunflower seeds crushed in Moldova in FY 2023/24. It is a leader in the handling, storage and trans-shipment of agricultural products in Moldova, with a total storage capacity of over 1 million tonnes, which represents approximately 90 per cent. of Moldova's total agricultural commodities storage capacity, according to Company data. The Group operates 46 inland silo storage facilities (including 13 in Moldova, one in Romania and 32 in Serbia), five sunflower crushing and refining plants in Moldova, Romania and Serbia, with a total crushing capacity of 4,200 tonnes per day and four grain and meal export terminals and one oil export terminal, all of which are located near the coast or on major inland waterways in Moldova, Ukraine and Serbia, with a total trans-shipment capacity of 3.6 million tonnes per year to 3.9 million tonnes per year. The Group also has a fleet of own and rented railcars and trucks.

The Group's principal sources of revenue include sales of grain and seeds, vegetable oil, oil meal and packed vegetable oil, which collectively accounted for 98.4 per cent. of the Group's total revenue in FY 2023/24, as compared to 97.8 per cent. in FY 2022/23. The Group's remaining revenue is derived from the storage, cleaning and drying of grain and oilseed.

In FY 2023/24, the Group had total revenue of U.S.\$2,309,707 thousand, EBITDA of U.S.\$212,478 thousand and profit for the year of U.S.\$67,617 thousand, as compared to total revenue of U.S.\$2,134,338 thousand, EBITDA of U.S.\$184,303 thousand and profit for the year of U.S.\$73,399 thousand in FY 2022/23.

The Group's EBITDA margin was 9.2 per cent. in FY 2023/24 as compared to 8.6 per cent. in FY 2022/23. The Group's profit or the year was U.S.\$67,617 thousand in FY 2024/23, as compared to U.S.\$73,399 thousand in FY 2022/23.

The Group's Adjusted Net Debt to EBITDA ratio was 1.4x in FY 2021/22, 1.6x in FY 2022/23 and 1.5x in FY 2023/24. The Group's Net Debt to EBITDA ratio was 2.8x in FY 2021/22, 3.8x in FY 2022/23 and 3.5x in FY 2023/24.

OVERVIEW OF THE OFFERING

The following overview contains basic information about the Notes and the Initial Guarantees and is not intended to be complete. For a more complete understanding of the Notes and the Initial Guarantees, please refer to the Conditions. Capitalised terms not defined in this section have the meanings given to them in the Conditions.

Issuer	Aragvi Finance International DAC, a designated activity company incorporated under the laws of Ireland with its registered office at 1 Francis Street, Dundalk, Louth, Ireland.
Guarantors	Aragvi Holding International Ltd, “Agrofloris-Nord” S.R.L., I.C.S. “Anengrain-Group” S.R.L., “Elevatorul Iargara” S.A., I.C.S. “Flograin Group” S.R.L., “Floarea Soarelui” S.A., “Molgranum” S.R.L., “Prut” S.A., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., I.C.S. “Unco-Cereale” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelley Grains” S.A., I.M. “Trans Oil Refinery” S.R.L., Reniyskiy Elevator A.L.C., I.C.S. “Kelley Grains Corporation” S.R.L., I.C.S. “FFA Trans Oil Ltd”, S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA. For the year ended 30 June 2024, the Guarantors accounted for approximately 77.4 per cent. (U.S.\$164,455 thousand) of the Group’s EBITDA and as at 30 June 2024, approximately 85.72 per cent. (U.S.\$579,651 thousand) of the total net assets of the Group.
Joint Global Coordinators and Joint Bookrunners	Citigroup Global Markets Limited, ING Bank N.V. and Oppenheimer Europe Ltd.
Joint Bookrunners	Raiffeisen Bank International AG and UniCredit Bank GmbH.
Security	<p>The obligations of the Issuer and the Guarantors under the Notes, the Non-Ukrainian Guarantees, the Suretyships and the other Secured Liabilities (as defined in the Conditions) are secured as follows:</p> <p>(i) on or after the Closing Date and before completion of the Security Conversion (as defined in the Conditions), which is expected to occur by no later than 20 December 2024, by:</p> <ul style="list-style-type: none">• second-ranking Moldovan law governed pledges over substantially all of the movable assets (excluding Commodities) of the Moldovan Pledgors;• second-ranking Moldovan law governed mortgages over substantially all of the immovable assets of the Moldovan Pledgors;• second-ranking Ukrainian law governed pledges over substantially all of the movable assets (excluding Commodities) of the Initial Ukrainian Guarantor; and• second-ranking Ukrainian law governed mortgage over substantially all of the immovable assets of the Initial Ukrainian Guarantor; <p>(ii) following completion of the Security Conversion, by:</p> <ul style="list-style-type: none">• first-ranking Moldovan law governed pledges over substantially all of the movable assets (excluding Commodities) of the Moldovan Pledgors;

- first-ranking Moldovan law governed mortgages over substantially all of the immovable assets the Moldovan Pledgors;
- first-ranking Ukrainian law governed pledges over substantially all of the movable assets (excluding Commodities) of the Initial Ukrainian Guarantor; and
- first-ranking Ukrainian law governed mortgage over substantially all of the immovable assets of the Initial Ukrainian Guarantor.

As at 8 November 2024, the market value of the Secured Property was approximately U.S.\$214,727 thousand.

Notes Offered	U.S.\$550,000,000 aggregate principal amount of 11.125 per cent. Notes due 2029.
Issue Price	99.066 per cent.
Closing Date	20 November 2024.
Maturity Date	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 20 November 2029.
Interest Rate	The Notes bear interest at the rate of 11.125 per cent. per annum payable in equal instalments semi-annually in arrear on 20 May and 20 November in each year, commencing on 20 May 2025.
Use of Proceeds	<p>The gross proceeds from the Offering of the Notes are expected to be U.S.\$544.863 million, before deducting commissions and expenses related to the Offering and the Tender Offer, which are estimated to be approximately U.S.\$15.0 million.</p> <p>The Issuer will use the proceeds received from the issue and sale of the Notes in the amount of approximately U.S.\$502.2 million to finance the purchase of any or all of the 2026 Notes tendered and accepted for purchase in the Tender Offer (as described below) and the redemption of the 2026 Notes remaining outstanding after the Tender Offer upon the approval of the Mandatory Early Redemption (as defined below), as well as the payment of any early consent and transaction fees in connection therewith, all pursuant to the Tender Offer and Consent Solicitation (as defined below) launched by the Issuer on 28 October 2024. The remaining proceeds received from the issue and sale of the Notes will be used to refinance existing indebtedness of the Group and for the transaction fees and expenses thereof.</p> <p>For more information, see “<i>Use of Proceeds</i>”.</p>
Tender Offer and Consent Solicitation	On 28 October 2024, pursuant to a tender offer and consent solicitation memorandum dated 28 October 2024 (the “ Tender Offer and Consent Solicitation Memorandum ”), the Issuer invited holders of the 2026 Notes to: (i) tender any or all of the 2026 Notes held by them for purchase by the Issuer for cash (the “ Tender Offer ”); and (ii) concurrently consent to amend by extraordinary resolution (A) the terms and conditions of the 2026 Notes to, among other things, provide for mandatory early redemption of all (but not some only) of the 2026 Notes remaining (if any) on completion of the Tender Offer (the “ Mandatory Early Redemption ”), all on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum (the “ Tender Offer and Consent Solicitation ”).
Form	The Notes will be in registered form, without interest coupons attached, in denominations of U.S.\$200,000 or multiples of U.S.\$1,000 in excess thereof.

The Notes will be issued in the form of a Regulation S Global Note and a Rule 144A Global Note, each in registered form without interest coupons. The Regulation S Global Note will be deposited with, and registered in the name of The Bank of New York Depository (Nominees) Limited, a nominee for the common depository for Euroclear and Clearstream, Luxembourg. The Rule 144A Global Note will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee of DTC. Ownership interests in the Regulation S Global Note and the Rule 144A Global Note will be shown on, and transfer thereof will be effected only through, records maintained by DTC, Euroclear, Clearstream, Luxembourg and their respective participants. Notes in definitive form will be issued only in limited circumstances.

Ranking of the Notes and the Initial Guarantees

The Notes constitute direct, unsubordinated and unconditional obligations of the Issuer which are secured in the manner provided for in Condition 2.6 and shall at all times rank *pari passu* and without any preference among themselves. Initial Guarantees constitute and any Additional Guarantees will constitute direct, unsubordinated and unconditional obligations of the Guarantors which are secured in the manner provided for in Condition 2.6, and shall at all times rank *pari passu* and without any preference among themselves. Each of the Issuer and the Guarantors shall ensure that at all times the claims of the holders of the Notes (the “**Noteholders**”) against them under the Notes and each Guarantee, respectively, rank in right of payment at least *pari passu* with claims of all of their other present and future unsecured and unsubordinated creditors.

Initial Guarantees

The payment, when due, of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed has the benefit of full, unconditional and irrevocable guarantees of the Initial Guarantors, as further described in Condition 2.1 (*Initial Non-Ukrainian Guarantee, Suretyship and Status*). In addition, in certain circumstances set out in the Conditions, the Issuer may be obliged to procure additional guarantees.

Covenants

The Conditions will, among other things, restrict the ability of the Issuer and, where applicable, the Guarantors, the Parent and its Subsidiaries (as defined in the Conditions) to:

- create or incur certain Liens;
- incur additional Indebtedness;
- make certain Restricted Payments;
- enter into any Affiliate Transactions;
- transfer or sell assets;
- create restrictions on the ability of the Issuer or the Guarantors to pay dividends or make other payments to the Issuer or any Guarantor;
- merge, consolidate or sell, assign, transfer, convey or otherwise dispose of substantially all of their assets; and
- make any material change to the Permitted Business.

Each of these covenants is subject to a number of important limitations and exceptions as further described in Condition 3 (*Covenants*).

Optional Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 30 days’ notice, at 100 per cent. of the principal amount thereof together with accrued and unpaid interest to (but excluding) the date fixed by the Issuer for redemption and additional amounts (if

any) then due or which will become due as a result of the redemption, if the Issuer or a Guarantor is or would be required to pay Additional Amounts (as defined in the Conditions) (subject to certain conditions) as a result of any change in, or amendment to, the laws or regulations of Ireland and/or the Relevant Jurisdiction in the case of the Guarantors (as defined in the Conditions), occurring on or after the Issue Date as further described in Condition 5.5 (*Redemption for Taxation Reasons*).

Optional Redemption by the Issuer On or after 20 November 2026, the Issuer may redeem the Notes in whole, but not in part, on giving not less than 15 nor more than 30 days' notice, at the redemption prices (expressed as percentages of the principal amount of the Notes) set forth below, plus accrued and unpaid interest to (but excluding) the applicable redemption date, if redeemed during periods indicated below:

Period	Percentage
Twelve-months beginning on 20 November 2026	105.56250 per cent.
Twelve-months beginning on 20 November 2027	102.78125 per cent.
Twelve-months beginning on 20 November 2028	100.00000 per cent.

At any time prior to 20 November 2026, upon not less than 15 nor more than 30 days' notice, the Issuer may redeem the Notes in an aggregate principal amount not to exceed 40 per cent. of the aggregate principal amount of the Notes with the net cash proceeds of one or more Equity Offerings, at a redemption price equal to 111.125 per cent. of the principal amount redeemed, plus accrued and unpaid interest, if any, to the date of redemption, provided that at least 60 per cent. of the principal amount of the Notes remains outstanding immediately after each such redemption. See Condition 5.3 (*Optional Redemption in the Event of an Equity Offering*).

In addition, at any time prior to 20 November 2026, on giving not less than 15 nor more than 30 days' notice, the Issuer may redeem the Notes in whole, but not in part by paying the principal amount, plus accrued interest, together with the Make Whole Premium as more fully described in the Conditions. See Condition 5.6 (*Redemption at Make Whole*).

Optional Redemption by the Noteholders upon a Change of Control Following a Change of Control, a Noteholder will have the right to require the Issuer to repurchase all of the Notes held by such Noteholder at 100 per cent. of their principal amount on the date of purchase, plus accrued and unpaid interest (if any) up to but excluding the date of purchase. See Condition 5.4 (*Redemption at the Option of the Holders Upon a Change of Control*).

Redemption at the Option of Noteholders upon a Put Event If a Put Event occurs, the holder of each Note will have the option to require the Issuer to redeem that Note on the Put Date at its principal amount together with interest accrued to (but excluding) the Put Date. See Condition 5.6 (*Redemption at the Option of the Noteholders upon a Put Event*).

Listing of Notes Application has been made to the Vienna Stock Exchange for the Notes to be included in trading on the Vienna MTF. The Vienna MTF is not a regulated market for the purposes of MiFID II.

Ownership Restrictions Neither Euroclear or Clearstream, Luxembourg will monitor compliance with any transfer or ownership restrictions.

Trustee BNY Mellon Corporate Trustee Services Limited.

Security Trustee CSC Trustees Limited.

Principal Paying Agent and Transfer Agent	The Bank of New York Mellon, London Branch.
Registrar	The Bank of New York Mellon SA/NV, Dublin Branch.
Governing Law and Arbitration	<p>The Notes, the Suretyship Agreement and the Trust Deed (including the Initial Guarantees) shall be governed by and construed in accordance with English law and contain provisions for arbitration in London, England.</p> <p>The Security Documents will be governed by and construed in accordance with Moldovan law and Ukrainian law, as the case may be.</p>
Selling Restrictions	United States, United Kingdom, Cyprus, Ireland, the Republic of Moldova (“ Moldova ”), Switzerland, Ukraine, Singapore and any other jurisdiction relevant to the Offering. See “ <i>Subscription and Sale</i> ”.
Ratings	<p>It is expected that the Notes will be rated “B+” by Fitch and “B” by S&P. Each of Fitch and S&P is established in the EU and registered under the CRA Regulation.</p> <p>Credit ratings assigned to the Notes do not necessarily mean that the Notes are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Similar ratings on different types of notes do not necessarily mean the same thing. Credit ratings primarily relate to default risk of the Issuer and do not relate to the liquidity of the Notes or consider whether there is a market for the Notes. Any change in the credit rating of the Notes, the Issuer or of the Guarantors could adversely affect the price that a subsequent purchaser would be willing to pay for the Notes. The significance of each rating should be analysed independently from any other rating.</p>
Investment Considerations	An investment in the Notes involves a high degree of risk. See “ <i>Risk Factors</i> ”.
Security Identification	<p><i>Regulation S Notes</i></p> <p>ISIN: XS2932787687</p> <p>Common Code: 293278768</p> <p>FISN: ARAGVI FIN.INTL/11.125 BD 20291120</p> <p>CFI: DBFNFR</p> <p><i>Rule 144A Notes:</i></p> <p>ISIN: US03851RAC88</p> <p>Common Code: 293126887</p> <p>CUSIP: 03851R AC8</p> <p>FISN: ARAGVI FIN INTL/11.125 SECD NT GTD</p> <p>CFI: DBFGGR</p>
Legal Entity Identifier of the Issuer	635400VKAYT1VT6VBF50

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following summary consolidated financial information shows selected historical consolidated financial information and other operating information of the Group as of 30 June 2024, 2023 and 2022 and for the three years then ended. The Consolidated Statement of Profit or Loss and Other Comprehensive Income data, Consolidated Statement of Financial Position data and Consolidated Statement of Cash Flows data set forth below have been derived from, and should be read in conjunction with, the Consolidated Financial Statements included elsewhere in the Information Memorandum. The selected consolidated financial information should also be read in conjunction with “Management’s Discussion and Analysis of Results of Operations and Financial Condition” below. EBITDA, EBITDA Margin, Net Debt, Adjusted Net Debt, gross profit margin, net profit margin, Interest Coverage, Adjusted Net Debt to EBITDA ratio, Fixed Charge Coverage Ratio, Cash Conversion Cycle, Working Capital and Net Working Capital presented below are non-IFRS measures and were calculated by the Group based on data derived from the Consolidated Financial Statements. See “Presentation of Financial and Other Information—Presentation of Non-IFRS Measures.”

Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	Year ended 30 June		
	2024	2023	2022
(in thousands of U.S. dollars)			
Revenue	2,309,707	2,134,338	2,675,225
Cost of sales	(1,919,740)	(1,774,746)	(2,190,134)
Gross profit	389,967	359,592	485,091
Gross profit margin	16.9%	16.8%	18.1%
Other income	8,562	10,410	16,657
Selling and distribution costs	(173,043)	(175,202)	(239,830)
General and administrative expenses	(28,949)	(25,801)	(22,753)
Other losses - net	(8,987)	(9,305)	(6,939)
Operating profit	187,550	159,694	232,226
Net finance costs	(98,090)	(67,857)	(65,453)
Profit before tax	89,460	91,837	166,773
Income tax expense	(21,843)	(18,438)	(18,439)
Profit for the year	67,617	73,399	148,334
Net Profit Margin	2.9%	3.4%	5.5%
Profit for the year			
<i>Attributable to:</i>			
Owners of the Company	66,905	72,575	140,774
Non-controlling interest	712	824	7,560
Profit for the year	67,617	73,399	148,334
Other comprehensive income			
Gain on revaluation of property, plant and equipment	–	42,204	–
Related tax	–	(3,742)	–
Other comprehensive income	–	38,462	–
Currency translation reserve	(3,302)	1,179	(7,094)
Total comprehensive income for the year	64,315	113,040	141,240
<i>Attributable to:</i>			

Owners of the Company.....	63,603	112,216	133,680
Non-controlling interest.....	712	824	7,560
Total comprehensive income for the year.....	64,315	113,040	141,240

Consolidated Statement of Financial Position Data

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Non-current assets			
Intangible assets and Goodwill.....	51,272	51,273	51,243
Property, plant and equipment.....	467,868	467,359	406,555
Total non-current assets.....	519,140	518,632	457,798
Current assets			
Inventories.....	526,742	483,611	484,010
Forward contracts.....	105,653	112,425	31,313
Trade and other receivables.....	471,526	375,540	380,415
Cash and cash equivalents.....	134,203	67,757	78,860
Total current assets.....	1,238,124	1,039,333	974,598
Total assets.....	1,757,264	1,557,965	1,432,396
LIABILITIES			
Non-current liabilities			
Borrowings.....	103,928	78,653	87,058
Bond issued.....	492,200	488,659	485,427
Bond premium.....	2,557	3,781	5,006
Lease liabilities.....	11,873	11,893	12,519
Deferred tax liabilities.....	35,031	34,475	32,536
Advances received.....	85	117	130
Total non-current liabilities.....	645,674	617,578	622,676
Current liabilities			
Borrowings.....	276,651	176,809	207,308
Trade and other payables.....	124,790	106,241	73,139
Forward contract liabilities.....	2,564	18,760	4,530
Lease liabilities.....	891	700	617
Provisions.....	6,046	1,544	833
Total current liabilities.....	410,942	304,054	286,427
Total liabilities.....	1,056,616	921,632	909,103
EQUITY			
Share capital and premium.....	20,455	20,455	20,455
Retained earnings.....	580,947	514,042	441,467
Currency translation reserve.....	(9,217)	(5,915)	(7,094)
Fair value reserves.....	84,029	84,029	45,567
Non-controlling interest.....	24,434	23,722	22,898
Total equity.....	700,648	636,333	523,293
Total equity and liabilities.....	1,757,264	1,557,965	1,432,396

Consolidated Statement of Cash Flows Data

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Net cash from operating activities.....	58,549	207,619	22,773
Net cash used in investing activities.....	(22,378)	(40,300)	(67,225)
Net cash from / (used in) financing activities.....	33,099	(175,518)	58,327
Effect of exchange rate fluctuations on cash movements.....	(2,824)	(2,904)	(2,282)
Net (decrease)/increase in cash and cash equivalents.....	69,270	(8,199)	13,875

Non-IFRS Financial Measures

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
Profit for the year	67,617	73,399	148,334
Income tax expense.....	21,843	18,438	18,439
Net finance costs.....	98,090	67,857	65,453
Operating profit	187,551	159,694	232,226
Depreciation and amortisation included in operating profit	24,927	20,325	17,089
EBITDA	212,478	184,303	241,532
Revenue.....	2,309,707	2,134,338	2,675,225
EBITDA margin ⁽¹⁾	9.2%	8.6%	9.0%

(1) Calculated as EBITDA as a percentage of revenue.

Readily marketable inventories

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Wheat.....	31,971	86,628	37,507
Barley	13,655	50,424	27,224
Sunflower.....	109,429	107,834	104,103
Corn	41,681	40,155	62,119
Other Grains & Oilseeds	253	67	59
Soya.....	102,764	22,628	1,117
Rape.....	26,310	22,983	36,026
Crude vegetable oil.....	125,438	100,747	148,646
Soyabean meal	28,961	–	139
Sunflower meal	19,771	3,208	735
Own production	18,710	38,782	46,123
Readily Marketable Inventories (RMI) ⁽¹⁾⁽²⁾	518,943	473,456	463,798

(1) Total amount of grains, oil seeds and oil products (including crude oil, refined oil and meal) purchased for resale and own production of the Group, included in Note 10 to the Consolidated Financial Statements.

(2) To calculate the Adjusted Net Debt, the Group excludes from Net Debt, among other things, 75 per cent. of the RMI's book value on the relevant date. See "Presentation of Financial and Other Information-Presentation of Non-IFRS Measures".

Working Capital

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Inventories.....	526,742	483,611	484,010
<i>Wheat</i>	31,971	86,628	37,507
<i>Barley</i>	13,655	50,424	27,224
<i>Sunflower</i>	109,429	107,834	104,103
<i>Corn</i>	41,681	40,155	62,119
<i>Other Grains & Oilseeds</i>	253	67	59
<i>Soya</i>	102,764	22,628	1,117
<i>Rape</i>	26,310	22,983	36,026
<i>Crude vegetable oil</i>	125,438	100,747	148,646
<i>Soyabean meal</i>	28,961	–	139
<i>Sunflower meal</i>	19,771	3,208	735
<i>Other inventories</i>	26,509	48,937	66,335
Trade and other receivables ⁽¹⁾	276,231	206,476	258,721
Advances to suppliers.....	195,295	169,064	121,694
Cash and cash equivalents.....	134,203	67,757	78,860
Trade and other payables.....	(124,790)	(106,241)	(73,139)
Working Capital ⁽²⁾	1,007,681	820,667	870,146

Net Working Capital⁽³⁾	678,183	583,846	669,592
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- (1) Calculated as the sum of trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given.
- (2) The Group calculates working capital as the sum of inventories, trade and other receivables, advances to suppliers and cash and cash equivalents less trade and other payables.
- (3) The Group calculates net working capital as working capital less advances to suppliers and cash and cash equivalents.

Cash Conversion Cycle

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Revenue.....	2,309,707	2,134,338	2,675,225
Cost of sales.....	(1,919,740)	(1,774,746)	(2,190,134)
	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Trade and other receivables ⁽¹⁾	276,231	206,476	258,721
Inventories.....	526,742	483,611	484,010
Trade and other payables.....	(124,790)	(106,241)	(73,139)
	Year ended 30 June		
	2024	2023	2022
	(in days)		
Trade and other receivables cash conversion cycle ⁽²⁾	38	40	23
Inventories cash conversion cycle ⁽³⁾	96	100	74
Payables cash conversion cycle ⁽⁴⁾	(22)	(18)	(9)
Cash conversion cycle⁽⁵⁾	112	122	88

- (1) Calculated as the sum of trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given, excluding any advances to suppliers.
- (2) Calculated as the average of trade and other receivables as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 and divided by revenue for the year.
- (3) Calculated as the average of inventories as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 and divided by cost of sales for the year.
- (4) Calculated as the average of payables as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 divided by cost of sales for the year.
- (5) Calculated as the sum of the trade and other receivables conversion cycle and the inventories conversion cycle less the payables conversion cycle.

Net Debt, Adjusted Net Debt, EBITDA, Adjusted Net Debt/EBITDA, Fixed Charges, Interest Coverage ratio, Fixed Charge Coverage ratio, Cash Conversion Cycle

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
Bonds issued	492,200	488,659	485,427
Non-current borrowings	103,928	78,653	87,058
Current borrowings	276,651	176,809	207,308
Total Debt	872,779	744,121	779,793
Cash and cash equivalents ⁽¹⁾	134,203	67,757	78,860
Net Debt ⁽²⁾	738,576	676,364	700,933
RMI	518,943	473,456	463,798
75 per cent. of RMI	389,207	355,092	347,849
Adjusted Net Debt ⁽³⁾	328,031	301,928	334,332
EBITDA	212,478	184,303	241,532
Net Debt/EBITDA	3.5x	3.8x	2.8x
Adjusted Net Debt/EBITDA	1.5x	1.6x	1.4x
Interest expense ⁽⁴⁾	82,098	64,161	64,181
Loan commissions	6,115	7,014	6,654
Bank commissions	2,665	2,124	2,492
Other fixed charges ⁽⁵⁾	4,378	3,940	3,787
Fixed charges ⁽⁶⁾	95,256	77,239	77,114
Interest coverage ratio ⁽⁷⁾	2.6x	2.9x	3.8x
Fixed charge coverage ratio ⁽⁸⁾	2.2x	2.4x	3.1x
Gross profit margin ⁽⁹⁾	16.9%	16.8%	18.1%
Net profit margin ⁽¹⁰⁾	2.9%	3.4%	5.5%
Cash conversion cycle, days	112	122	88

(1) Cash and cash equivalents include cash deposited on the escrow account under the 2024 Notes.

(2) Net Debt is calculated as sum of current and non-current borrowings and bonds issued less cash and cash equivalents.

(3) Adjusted Net Debt is calculated as Net Debt less the sum of Shareholder's loan with an outstanding principal balance of U.S.\$21,203, 19,334 and 18,752 thousand as of each of 30 June 2024, 2023 and 2022, respectively, and 75 per cent. of the Group's RMI.

(4) Interest expense includes interest expenses and interest on bonds issued.

(5) Includes amortisation of bonds issued costs and lease interest expense.

(6) Calculated as sum of interest expense, loan commissions, bank commissions and other fixed charges for the period.

(7) Calculated as EBITDA divided by Interest expense.

(8) Calculated as EBITDA divided by Fixed charges.

(9) Calculated as gross profit divided by the revenue for the period.

(10) Calculated as profit for the period divided by the revenue for the period.

Reconciliation of Segment EBITDA

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
<i>Consolidated for the Group</i>			
Profit for the year	67,617	73,399	148,334
Income tax expense.....	21,843	18,438	18,439
Net finance costs.....	98,090	67,857	65,453
Operating profit	187,551	159,694	232,226
Depreciation and amortisation included in operating profit .	24,927	20,325	17,089
Bargain purchase of Serbian assets.....	-	-	(7,783)
Impairment charge of fixed assets	-	4,284	-
EBITDA	212,478	184,303	241,532
Revenue.....	2,309,707	2,134,338	2,675,225
EBITDA margin	9.2%	8.6%	9.0%
<i>Origination and marketing</i>			
Profit for the year	32,426	28,078	91,180
Income tax expense.....	17,737	13,616	15,304
Net finance costs.....	79,703	49,600	49,155
Operating profit	129,867	91,294	155,640
Depreciation and amortisation included in operating profit .	10,697	7,504	4,872
Bargain purchase of Serbian assets.....	-	-	(7,783)
EBITDA	140,564	98,798	152,729
Revenue.....	1,845,843	1,529,735	1,977,832
EBITDA margin	7.6%	6.5%	7.7%
<i>Infrastructure and other</i>			
Profit for the year	3,564	2,805	2,749
Income tax expense.....	0	0	0
Net finance costs.....	0	0	0
Operating profit	3,564	2,805	2,749
Depreciation and amortisation included in operating profit .	7,565	6,506	7,006
Impairment charge of fixed assets	-	4,284	-
EBITDA	11,129	13,595	9,755
Revenue.....	36,740	46,563	38,165
EBITDA margin	30.3%	29.2%	25.6%
<i>Crushing and refining</i>			
Profit for the year	31,627	42,516	54,405
Income tax expense.....	4,106	4,822	3,136
Net finance costs.....	18,387	18,257	16,297
Operating profit	54,120	65,595	73,838
Depreciation and amortisation included in operating profit .	6,665	6,315	5,211
EBITDA	60,785	71,910	79,049
Revenue.....	427,124	558,039	659,228
EBITDA margin	14.2%	12.9%	12.0%

RISK FACTORS

An investment in the Notes involves risks. You should carefully consider all of the information in this Information Memorandum, including the following risk factors, before deciding to invest in the Notes. The actual occurrence of any of the following events could have a material adverse effect on the Group's business, financial condition, prospects and results of operations, which may adversely affect the Issuer's ability to make payments and fulfil its other obligations under the Notes and the Guarantors' ability to fulfil their obligations under the Guarantees.

Most of these factors are contingencies that may or may not occur, and the Group is not in a position to express a view on the likelihood of any such contingency occurring. The risks described below are not exhaustive and are only those that management of the Group believes are material, but these may not be the only risks and uncertainties that the Group faces. Additional risks that are not currently known or that are currently deemed immaterial may also have a material adverse effect on the Group's business, financial condition, prospects and results of operations or result in other events that could lead to a diminution of the Issuer's and Guarantors' ability to fulfil their obligations. You could therefore lose a substantial portion or all of your investment in the Notes. Consequently, an investment in the Notes should only be considered by persons who can assume such risks.

Risks Relating to the Group's Business

The Group's operations may be directly impacted by the war in Ukraine, including through attacks on the Group's port facilities, interference with the transport of agricultural products, the impact on the Group's origination activities in Ukraine and/or other unforeseen impacts.

The Group has substantial operations in Ukraine, including both origination and marketing operations and its Reni port facility, which is one of the major seagoing export facilities in the south-western part of Ukraine with a trans-shipment capacity of approximately 800 thousand tonnes per year. In FY 2023/24, 53 per cent. of the Group's origination and marketing revenue was attributable to Ukraine based on the origin of sourcing.

In terms of its origination and marketing activities, most of the farms from which the Group originates agricultural products are located in Western Ukraine, where disruption from the war has been relatively limited. There can be no assurance, however, that military incursions will not expand to Western Ukraine, which would adversely affect the Group's origination and marketing activities. While the Group might be able to shift volumes to other countries to mitigate any such impact, it may not be able to fully compensate for the lost volumes.

In terms of the Group's transportation of agricultural products, the Group has experienced drone attacks at its Reni port facilities, although this did not adversely affect its operations. The Group's Reni grain terminals have sustained no damages and operated normally during FY 2023/24, FY 2022/23 and FY 2021/22. However, this may not continue to be the case, particularly if there is an escalation in military activities. There have also been attacks in Izmail, Ukraine on mineral oil and diesel stores, as well as recent attacks on dry bulk carriers in Odessa. There can be no assurance that there will not be similar types of attacks at the Reni port. The Reni port is also connected to the national railway network of Ukraine and the railway network could also be damaged by military activities.

Moreover, the Group's insurance costs have already increased significantly in order to take account of the heightened risk arising from the war in Ukraine. There can be no assurance that insurance premiums will not increase further, which could have a material adverse effect on the Group's results of operations. The Group's operations may also be impacted by the loss of employees and a reduction in the available labour supply due to the Ukrainian conscription of men ages 25-55.

Finally, there remains a risk of attacks on shipments of agricultural products on the Danube River. While Russia thus far has not targeted assets in Moldova or the European Union, there can be no assurance that this will continue to be the case. Any military escalation or attack on the Group's facilities could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's operations and results are dependent on a steady supply of raw materials; unfavourable weather and growing conditions, accidents impacting its silo or terminal network, or any other factors outside the Group's control that lead to shortages in sunflower seeds or wheat which are critical to the Group's business could have a material adverse effect on the Group's business, results of operations and financial condition

The Group's primary business is the origination and sale of agricultural commodities (primarily sunflower seeds, wheat, corn and barley) and the sale of vegetable oil and related products produced from sunflower seeds. In FY 2023/24, the Group derived most of its revenue from the sale of grain, oilseed and vegetable oil. The availability and price of agricultural

commodities can be affected by factors beyond the Group's control, which might lead to shortages in sunflower seeds, wheat, corn, barley or any of the other crops which are critical to the Group's business, while market prices for these commodities being set at particular levels may impact the Group's margins. Adverse weather conditions and deviations from typical weather patterns, including but not limited to drought, flood, unexpected or heavy frost and major climate-related disasters in the areas of Moldova where the Group sources most of its agricultural commodities may adversely affect the size of the harvest and therefore impact the Group's ability to obtain them in a timely manner, on commercially acceptable terms and in sufficient quantities necessary to sell them. In particular, the State Hydrometeorological Service of Moldova ("SHS") reports that northern Moldova experiences a drought once every ten years on average, central Moldova once every five to six years, and southern Moldova once every three to four years. However, in the last two decades droughts have been more frequent and have generally been more severe and in certain years lasted the whole vegetative period (April-September). In 2007, 2012, 2020 and 2022, Moldova experienced droughts, which resulted in the overall crop of major agricultural commodities (including wheat, barley, sunflower seeds and corn) being significantly reduced. Droughts will generally have an adverse impact on the volumes of these commodities processed by the Group in the relevant period. The Group's working capital requirements will also generally increase due to higher commodity prices in times of drought.

Climate directly impacts crop yields and the cost of harvesting for the Group's suppliers, including the Group's captive farming business. A reduced supply of agricultural commodities due to weather-related factors could adversely affect the Group's profitability by increasing the cost of raw materials and limiting the Group's ability to procure, transport, store, process and sell agricultural commodities in an efficient manner, leading to downward pressure on margins. The potential physical impacts of climate change are uncertain and may also vary by region in Moldova. These potential effects could include changes in rainfall patterns, water shortages, changing storm patterns and intensities and changing temperature levels, which could have an impact on the quality of harvests as well as on the structural stability of the soil. The availability and price of agricultural commodities can also be affected by other factors, such as plant disease and insect plague, which can result in crop failures and reduced harvests. In particular, the Group's ability to source a sufficient quantity of oilseed for its crushing and processing business and grain for its grain marketing and export terminal business may be limited in years of poor harvests, adversely affecting the Group's revenues from those activities. Any of the above factors may adversely affect the Group's business, results of operations, financial condition and prospects.

The Group may also lose stored crops as a result of catastrophic events such as fires, explosions or natural disasters. In particular, any event that destroys or takes out of service all or part of a silo complex or all or part of a terminal could result in the loss of stored crops. While the Group maintains property damage insurance for its all main assets and marine cargo insurance (including in respect of storage operations) as well as general business interruption insurance and insurance against business interruption due to machinery breakdown, material interruptions in its production capability or the loss of stored crops or storage capacity, to the extent not covered by insurance, may require the Group to incur significant expenses to remedy the situation, or force it to sell crops at a sub-optimal time for a lower price than it might otherwise realise, which could materially adversely affect the Group's business, results of operations, financial condition and prospects.

Further, due to bad crops and reduced harvests, and, as a consequence, higher commodity prices, the working capital requirements of the Group may increase. Higher working capital may be required due to a global supply and demand imbalance. If the capital resources of the Group are insufficient, the Group will have to raise additional funds. The Group may not be able to raise sufficient additional funds on favourable terms. If the Group fails to raise sufficient funds, its ability to fund the operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on the Group's business, financial condition, results of operations, prospects or cash flows.

Export restrictions or increases in export duties by the Moldovan, Ukrainian or Serbian government on agricultural commodities would have a material adverse impact on the Group's business, financial condition and results of operations

As the Group derives a significant portion of its revenues from export sales of agricultural commodities, official policies implemented by the Moldovan government to limit exports of agricultural commodities (such as, for example, an export quota or increases in export duties or other taxes) or the Ukrainian and/or Serbian government applicable to transit exports of foreign (such as Moldovan) agricultural commodities via port facilities in Ukraine and/or Serbia, as well as practices which have the same effect (such as, for example, the imposition of increased inspections at ports and additional requirements for export licences) would affect the Group's ability to sell, or the profitability of selling, its agricultural commodities to international customers.

Although under Moldovan law, exports from the country are not subject to quantitative restrictions, in exceptional circumstances the Moldovan government may impose such restrictions provided that the international treaties are observed, in particular the WTO Agreements and the EU-Moldova Association Agreement. While the Moldovan government does not currently apply export restrictions on agricultural commodities, there is no assurance that this regime will not be changed.

If any such restrictions were to be imposed by the Moldovan government, they would become effective only after their publication in the Official Gazette. Even though such restrictions could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, such restrictions on the volume of exports may, to a limited extent, be offset by an increase in global commodity prices or by lower domestic purchase prices paid by the Group to its suppliers due to over-supply. Moreover, in the event of export restrictions in Moldova, Ukraine or Serbia, the Group might also be able to shift export sales to Romania.

Similarly, any increases in export duties or other taxes, if not offset through increases in prices the Group charges or reductions in domestic purchase prices, could reduce the margins the Group makes on the products it exports and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Moldovan import restrictions and those imposed by other countries on agricultural commodities could have a material adverse impact on the Group's business, results of operations, financial condition and prospects

The Group derives a significant portion of its revenues from export sales of agricultural commodities. Official, as well as unofficial, policies implemented by other countries or international organisations to limit imports from or to Moldova or Ukrainian or Serbian ports and/or exporters of agricultural commodities, including the Group (such as, for example, the imposition of qualitative or quantitative restrictions, increased inspections and quarantines or additional requirements for sales) may affect the Group's ability to sell its agricultural commodities abroad.

Any import restrictions could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to operational risks, shortages or loss of machinery, the loss of any of its production or storage assets and the risk of its crushing capacity declining for other reasons

The Group's production process depends on certain critical items of machinery and equipment. While the Group maintains general business interruption insurance and insurance against business interruption due to machinery breakdown, a material failure or breakdown of such machinery and equipment and resulting total or partial interruptions in production, to the extent not covered by the insurance, may adversely impact the Group's ability to fulfil its obligations under its contracts, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Due to the seasonality of its business, the Group may experience liquidity problems

The Group requires high levels of financing in the period immediately following the harvest to purchase raw materials as they become available. Historically, the Group has fulfilled its seasonal financing requirements by obtaining short-term trade credit facilities, which were to be repaid in the course of the financial year. In the past, the Group experienced delays in arranging or disbursement of trade credit financing due to prolonged credit approval processes by the lenders. If the Group fails to cover its additional financing requirements on attractive terms or a substantial portion of the Group's customers fail to meet their payment obligations in a timely manner, the Group may experience cash flow problems, which would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Failure or inadequacy in the Group's risk management system, corporate governance and controls may adversely impact its business, results of operations, financial condition and prospects

As the Group is exposed to various commodity, market, credit and operational risks in the ordinary course of its business, it has implemented a risk management system to manage its exposure to such risks. If its risk management system is disabled or does not operate efficiently, the Group may not accurately or effectively identify the extent of its risk exposure.

Further, the Group's risk management system, corporate governance and controls may not always be able to detect any illegal, unauthorised or fraudulent activity by its employees. As a result, the Group may suffer operational disruption, financial loss, or damage to its reputation. For example, this could arise from insufficient controls relating to raw materials

and other inventories, either upon purchase or during storage at the Group's silos, or as a result of incorrect accounting for grain, oilseed or finished products because of reserves created as a result of production and logistics operations.

The Group's operations are also dependent on the ability of its operational systems, data processing systems and financial accounting systems to handle and process a substantial number of complex transactions involving different markets, countries and currencies. If any of these systems do not operate efficiently, or are disabled, the Group may suffer operational disruption, financial loss, or damage to its reputation.

Finally, while the Group has been focused on improving its corporate governance policies and procedures, its policies and procedures may not be equivalent to those of its peers operating in more developed countries. See also "*Moldovan Legal Risks and Uncertainties—Weak corporate governance regulations and untested disclosure and reporting requirements may affect the Group's capacity to effectively reach its objectives*". Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's indebtedness or the enforcement of certain provisions of its financing arrangements could affect its business

A portion of the Group's indebtedness, including the Notes, is secured. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Indebtedness*". In particular, financing agreements to which Moldovan, Serbian and Romanian entities of the Group are parties are secured by extensive security arrangements (including pledges of movable assets, mortgages of immovable assets, pledges of commodities and pledges of certain Group companies' shares). Further, certain of the Group's loan agreements, as well as the Notes, contain restrictive covenants that limit its ability to incur debt. These provisions may limit the Group's operational flexibility so long as this financing remains outstanding. In the past, the Group had to obtain consents from creditors to waive certain financial covenants. Although the Group has been successful in obtaining these consents in the past, there is no assurance that the Group will be able to obtain such consents in the future if they were to be required. Any failure to obtain consents from creditors, accompanied by an acceleration of the relevant debt and enforcement of collateral (if any), may make it substantially more difficult for the Group to obtain financing in the future and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to liability arising from the hazardous production processes involved in the processing and refining of vegetable oils

The processing of oilseed and the production of vegetable oil involves dealing with high temperatures and distillation processes. This is a hazardous process that can expose the Group to liabilities and claims associated with accidents, as well as the potential for disruption to the production process itself caused by accidents. Further, the Group uses certain chemicals for refining, which may be hazardous to the environment and may lead to damage of assets, stock and premises and loss of human lives. While the Group maintains insurance against third party liability for accidents in Moldova, to the extent this insurance proves to be insufficient, such incidences may lead to unforeseen costs if the Group is required to pay compensation for any losses or damages suffered by third parties as a result of such incidents, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is vulnerable to increases in the price of key raw materials

The Group's business is dependent on the availability, supply and cost of raw materials, such as oilseeds, which it sources from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials (if not broadly in line with the volatility in prices in the Group's international export markets) could adversely affect the Group's business. The supply prices of the Group's key raw materials, in particular sunflower seeds, and the prices of its products, are based upon or affected by pricing in the international market, which tends to be cyclical and subject to significant fluctuations. The factors that may affect the supply prices of the Group's raw materials and the prices of its products are beyond the Group's control, and include, amongst others:

- government policies relating to agricultural production and the imposition of export or import bans and/or quotas;
- macroeconomic factors, including exchange rates and inflation, affecting the global or Moldovan economies, as well as other global events such as the conflict in the Middle East and the invasion of Ukraine by Russia;
- changes in global supply and demand of raw materials;

- fluctuations in the market price of correlated commodities, such as crude oil and other energy commodities;
- supply of similar or competitive agricultural products;
- changes in consumer preferences, both seasonal and long-term; and
- crop allocation, planting and weather conditions.

The prices offered by the Group to suppliers of commodities including grain and oilseed are based upon commodity prices then prevailing in world markets (reduced by a margin for the Group). Generally, the Group aims to mitigate price risk by concurrently entering into sale contracts in the international markets for the same volume of grain or oilseed as it purchases in the local market or vice-versa (a so-called “balanced book” policy). However, if the Group is not able to secure concurrent contracts, its revenue may be subject to fluctuations in the market price of the relevant commodities, which may have an adverse effect on its margins.

Any of the foregoing factors could negatively affect the demand and ability to originate agricultural commodities for and/or the price of the Group’s products, which could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group’s products are commodities and their prices are subject to fluctuations that may affect the Group’s profitability

The Group’s earnings are to an extent dependent on the prices of the commodities that it sells, including, amongst others, corn, wheat, barley, sunflower seeds, vegetable oil and related products produced from sunflower seeds. These fluctuate due to factors beyond the Group’s control, including, amongst others, world supply and demand, supply of raw materials, weather, crop yields and governmental regulation. In addition, the price of vegetable oils depends on the production levels and prices of all edible oils as many oils are substitutive by users to various degrees. Further, the prices of the agricultural commodities that the Group sells (in particular, sunflower oil) may depend on the fluctuations in prices of other correlated commodities, such as crude oil and other energy commodities. While the Group has limited exposure to market price fluctuations as it typically enters into sales contracts concurrently with the purchase of the respective volume of raw materials and generally does not maintain uncovered positions for more than a few days, the Group’s absolute margin for those businesses is a function of the commodity prices. Global prices for these types of soft commodities vary constantly and have, in the past, been subject to significant changes and there can be no assurance that the Group’s commodity hedging operations will always be effective to address these changes. Any of the above factors may adversely affect the Group’s business, results of operations, financial condition and prospects.

The Group’s vegetable oil business could be affected by changes in consumer preferences

The food industry is characterised by frequent and often difficult to predict changes in consumer preferences. For example, consumers in the edible oil markets the Group serves are becoming more health conscious and may select cooking oils based on considerations other than price and taste. Additionally, such consumer preferences are influenced by a number of other factors beyond the Group’s control, such as the prices of alternative products and economic conditions. The Group’s profitability will depend on its ability to anticipate and respond in a timely manner to such changes in consumer preferences. There can be no assurances that the Group will anticipate such changes accurately, or that it will be able to respond to such changes given the nature of the Group’s business, and any failure to do so could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group’s development strategy could be affected by any failure to generate or raise necessary capital

The Group requires additional capital to maintain and expand its business. Certain circumstances may affect the Group’s ability to raise adequate capital, including, among others, economic conditions, limited access of commercial banks to funding, the terms of existing financing arrangements or any changes thereto, expansion at a faster rate or higher capital cost than anticipated, slower than anticipated EBITDA growth and regulatory developments. If the Group cannot obtain adequate funds to satisfy its future capital requirements, it may need to curtail or discontinue the expansion of its facilities or operations, which may slow the Group’s future growth and otherwise have an adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group may not be able to complete or integrate successfully any planned or potential acquisitions

The Group may in the future seek to acquire other businesses or legal entities in order to expand its operations. In particular, in December 2020, the shareholders of the Group acquired VictoriaOil, one of Serbia’s leading agri-business companies

and one of the largest producers and exporters in both Serbia and the region. VictoriaOil was controlled by and, for financial reporting purposes, consolidated into the Group in 2021. The shares of VictoriaOil continue to be held by the shareholders of the Group in trust for the benefit of the Group. The Group has begun the process of completing the formal transfer of legal title to such shares from the shareholders to Trezeme Limited (an entity which is a member of the Group). An application will be made to the relevant authorities by 30 November 2024 for the registration of the transfer of the shares and the transfer is expected to be completed by 31 December 2024. Irrespective of the completion of the transfer, VictoriaOil is a Subsidiary of the Group for purposes of the Conditions and will be subject to the restrictions thereunder upon issuance of the Notes (see “—*Terms and Conditions of the Notes*”).

Furthermore, in December 2021, the Group acquired the largest grains and logistics business in Serbia, with a chain of 33 silos and 2 port terminals on the Danube River. More recently, in October 2024, Global Grain International, a subsidiary of the Group, acquired Frial SA, which operates as a storage and handling services provider in the port of Constanta. The facilities include a terminal dedicated to liquid products, such as edible oils, with a high transfer rate of up to 200 tonnes per hour. Additionally, Frial SA provides extensive storage solutions, with a total capacity exceeding 70,000 tonnes (liquid and grains) for covered and open spaces. Frial SA is expected to be consolidated into the Group in the second quarter of FY 2024/25 (see “*Business—Recent Developments*”).

Any future acquisitions may pose certain risks to the Group’s existing operations if such acquisitions cannot be successfully integrated or otherwise perform as planned. Such acquisitions may place additional demands on the Group’s managerial, operational, financial and other resources, create operational complexity requiring additional personnel and other resources and require enhanced control procedures. The Group can provide no assurance that the acquisition of Frial SA or any of its other currently planned or any potential acquisitions will be concluded or successfully integrated. Moreover, even if the Group is successful in integrating newly acquired assets, expected synergies and cost savings may not fully materialise, resulting in lower than expected benefits to the Group from such acquisitions.

Although the Group believes that it has historically successfully managed these risks as it has grown and expanded its operations, and views the expertise of its management in this regard as one of its primary strengths of the Group, the failure to successfully integrate planned and/or potential future acquisitions could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group may be unable to implement its growth strategy, expansion may strain the Group’s managerial, financial and operational control systems and the Group may find it difficult to obtain personnel and other resources to adequately develop these systems further

The Group intends to increase its production capacity and product sales. See “*Business—Strategy*”. A number of factors may affect the implementation of its strategy, including, among others, prices of commodities and the Group’s ability to obtain funding. There can be no assurance that the Group will be able to fulfil its strategy within the anticipated timeframe or at all. The continued growth of the Group’s business may raise operational or control risks. In the event that the Group continues to grow, it will have to react and adapt to the changing business environment, including regulatory aspects and circumstances implied by such growth.

Successful management of the Group’s growth will require, among other things:

- continued development of financial and management controls and information technology systems and their successful implementation;
- integration of newly acquired assets and businesses in a manner that preserves and/or enhances the Group’s economies of scale;
- continued development of best practices and policies;
- continued development of integrated procurement, storage and transportation operations;
- acquisition of additional machinery in line with such growth; and
- identifying, hiring and training new qualified personnel, which may prove particularly challenging in Ukraine the labour market is increasingly affected by the military draft and a large number of refugees.

As the Group continues to expand its operations and seek additional growth opportunities, its internal controls in particular will need to adapt and respond to the growing demands of its business activities. The Group is in the process of upgrading and improving its internal control systems and processes and believes that its internal control systems and processes are sufficient in light of the growth of its business. However, there can be no assurance that changes and improvements in these systems and processes will be at all times successfully completed to meet the Group's requirements as a result of its expected growth. If the Group fails to manage its planned growth successfully, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's captive farming operations are dependent on contractual relations with third parties

The Group is involved in captive farming operations, providing pre-crop financing covering the majority of the production costs, including land lease costs, in consideration for obtaining pre-agreed volumes of crop at pre-agreed prices through contractual relations with an intermediary company, Global Farming International S.R.L. ("**Global Farming**"), that controls a number of third-party farmers. The failure of Global Farming to fulfil its contractual obligations to deliver agreed volumes of produce to the Group, any substantial reduction in the supply or quality of raw materials produced by captive farmers due to weather conditions or otherwise or the Group's failure to extend contractual relations with Global Farming could have a material adverse effect on the Group's ability to source raw materials. The Group's failure to control captive farming operations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. See also "*Business—Origination and Processing of Raw Materials—Captive Farming*".

The Group's inability to attract and retain key personnel could adversely affect its business

The Group's success depends, to a significant degree, on its ability to continue to retain, motivate and attract qualified and experienced production staff, agronomists and management personnel, as well as its senior management team, particularly in light of the Group's growth. The extensive contacts and relationships of Mr. Vaja Enricovich Jhashi (also Vazha Dzhashi, "**Vaja Jhashi**") and the senior management team ("**Management**") in the region and in the industry are also of significant benefit to the Group. The Group's ability to remain competitive and effectively implement its business strategy and expansion plans depends to a large degree on the services of its senior management team and other key personnel, and the loss or unavailability of such personnel for an extended period of time could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, Management believes that the Group's continued success depends to a significant extent on the abilities and efforts of Mr. Vaja Jhashi, who oversees the strategic development and overall management of the Group. Although the Group maintains a key person insurance for Mr. Vaja Jhashi, the loss of Mr. Vaja Jhashi's services could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. See "*Management*".

The Group is subject quality requirements and regulations

The Group's grain, vegetable oil and by-products are subject to quality standards and regulations and are vulnerable to potential contamination. While this risk is reduced by the Group by maintaining product liability insurance and adherence to good manufacturing practices and finished product testing, it cannot be eliminated entirely and products can be contaminated after leaving the Group's facilities, for example, as a result of the actions of subsequent handlers (whether or not deliberate) or from cross-contamination through the use of shared transportation facilities, such as oil pipelines and port terminals.

Under Moldovan law, a customer who has sustained damages as a result of consuming a low-quality or dangerous food product may bring a claim for damages against the producer. Similarly, if during the storage, transportation or distribution of foodstuffs and materials that came into contact with foodstuffs, any infringements have been committed, the relevant Moldovan food business operators are required to, among other things, cease the delivery and distribution of these products and materials, organise their withdrawal from buyers and consumers and ensure their conditional use or destruction at their own expense.

Any placement on the market of contaminated products is a violation of law and, in addition, subject to liability claims, may lead to fines, increased scrutiny by regulatory agencies, product recalls and adverse publicity which could have a material adverse effect on the Group's reputation, including the strength of its brand names and demand for the Group's products and, therefore, on the Group's business, results of operations, financial condition and prospects.

In addition, products sold by the Group are in many cases subject to national and international product safety standards. In some instances, product safety regulations oblige food business operators (including originators and sellers) to regularly

monitor and implement the food safety standards in general, and in particular with respect to such products as vegetable oil, wheat, barley or corn. Also, food business operators are required to observe extensive legal requirements of handling, storage and use of their products. For more information, see “*Regulatory Overview—Moldova—Food safety and labelling requirements*”.

Any failure in complying with these obligations could result in a delay of the Group’s product delivery, a loss of insurance coverage (if any), business interruption on the customer side, and administrative sanctions. Such events could have a material impact on the local or global demand, reducing the Group’s marketing opportunities for such a product, or at least increasing the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group’s leverage is inherently seasonal and has reached relatively high levels in the past

The Group requires high levels of financing in the period immediately following the harvest to purchase raw materials as they become available. As a result, its Adjusted Net Debt to EBITDA ratio (which includes Net Debt less the sum of outstanding debt under the shareholders’ loan and 75 per cent. of the Group’s RMI balance on the relevant date) typically peak in December of each year. The Group’s leverage may have important consequences for the Group’s business, including, but not limited to, increasing its vulnerability to and reducing its flexibility to respond to general adverse economic and industry conditions and changes in the competitive landscape. This could in turn have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. See also “—*Due to the seasonality of its business, the Group may experience liquidity problems*” and “—*The Group’s indebtedness or the enforcement of certain provisions of its financing arrangements could affect its business*”.

Increases in transportation costs, adverse changes affecting transportation networks (and other transportation used by the Group) or other operational infrastructure could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects

Railway transportation is the Group’s main means of transporting grain to its port facilities in Moldova, Ukraine and Serbia. The railway system used by the Group is wholly owned by the Moldovan, Ukrainian and Serbian governments. The Moldovan and Ukrainian governments set domestic rail freight prices, subject to annual adjustment for a number of factors and the terms of transportation. Changes to Moldovan or Ukrainian legislation regulating the rail transportation sector could result in increases in the Group’s freight shipment costs. Further, inefficiencies or deficiencies in the railway system, including any shortage of railcars required to deliver products to the Group’s export terminals, could also have a material adverse effect on the Group’s business, results of operations and financial condition.

In addition, the Group has a fleet of railcars and trucks that it uses to transport crops from its suppliers to its storage facilities, plants and/or ports. The Group also uses third party providers. The physical infrastructure in Moldova, including rail and road networks, is sometimes inadequate, or has not been adequately funded and maintained. In particular, a Parliamentary commission report confirmed that the Moldovan Railway State Enterprise is at risk of bankruptcy and requires the support of the Moldovan government.

Road conditions in Moldova may also be poor, with many roads not meeting modern quality requirements. Similarly, other Moldovan infrastructure, such as power generation and transmission and communications systems, is sometimes inadequate or has not been adequately funded and maintained. Failure by the Moldovan government to develop and/or maintain adequate transport services and networks could delay or disrupt the Group’s transportation of goods and supplies and interrupt its business operations. The poor condition or further deterioration of the physical infrastructure in Moldova could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

In Romania, railway lines also suffer from aging infrastructure, slow modernisation efforts and chronic underfunding. In turn, this may result in congestion, frequent delays, particularly during the peak harvest periods, and lack of loading and unloading facilities at certain stations. These issues could all hamper the Group’s logistical operations in Romania, adversely affecting the Group’s business and financial condition. While road transport may sometimes provide a faster alternative to railways and compensate for some of their shortfalls, the quality of existing road networks in Romania differs from region to region, with some regions having a more developed road system than others. Consequently, road transport may not always mitigate railway delays and their impact on the Group’s business.

The Group also depends on ships to deliver its products to its customers and is, therefore, subject to volatility in freight costs. Disruption of these transportation services arising from, inter alia, poor weather, labour unrest or other events could

impair the ability of the Group to supply its products to its customers or, in the case of shipping, could result in incurring demurrage claims by ship owners for loading and unloading delays. The Group may experience storage capacity problems at the Group's terminals if peak production coincides with unforeseen shipping delays, which may trigger storage problems. Such factors, as well as increases in freight and transportation costs for other reasons could make the products of the Group less competitive, which may in turn have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group may cease to benefit from favourable tax regime

In the FY 2024/23, FY 2023/22 and FY 2022/21, the effective corporate tax rate of the Group was 22.5 per cent., 20.1 per cent. and 11.1 per cent., respectively, while the nominal corporate tax rate in Moldova is 12 per cent. The Group benefits from the favourable tax regime established in the GIFP. Entities of the Group that are registered as GIFP residents are exempted from certain import and export duties when introducing merchandise in GIFP from the rest of the territory of Moldova or from abroad, as well as when exporting merchandise originated in GIFP or other free economic zones of Moldova. GIFP residents are also exempted from VAT and excise taxes on goods and services sold within the GIFP. 11 entities of the Group are registered as GIFP residents. Corporate income tax for the Group's entities in the GIFP is reduced by 50 per cent. (to a tax rate of 6 per cent.) until 2030, as Group entities qualify under the criteria set out by the Government on minimum investment in the GIFP. In the absence of developed transfer pricing regulation, the Group was able to consolidate its profit centres in its GIFP residents.

Moldova is currently undertaking extensive reforms to align its tax practices with European and OECD practices. One of the projects which could have an effect on the existing tax code and practices is the Tax Administration Modernization Project ("**TAMP**") financed by the World Bank Group based on Law No. 225 dated 23 September 2016. The forthcoming changes may include the harmonisation of the practices with OECD requirements as well as the implementation of transfer pricing regulations. Due to the novelty of such changes, the Group's operations in Moldova, in particular the compliance of various financing arrangements existing between the Moldovan companies of the Group with the transfer pricing rules introduced into the Moldovan Tax Code, may be challenged by the authorities, which could lead to the imposition of fines or additional taxes.

Further, based on the Association and Free Trade Agreement with the EU, which came into force in 2016, the government of Moldova should revise tax incentives and benefits in respect of VAT exemption granted to residents of free trade zones, including GIFP (as set out in Annex VI, Chapter 8, Title IV of the Association and Free Trade Agreement) within ten years from the entry into force of the agreement. This may lead to significant changes to the GIFP tax regime in which the Group operates, the consequences of which cannot be estimated reliably as of the date of this Information Memorandum.

If the Group ceases to benefit from the favourable tax regime at the Giurgiulesti port due to introduction of developed transfer pricing regulation, tax assessment of the Group by Moldovan tax authorities or otherwise, this could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's operations and/or the Group's expansion plans may be limited by antitrust law and FDI regulations

The Group is the leading sunflower oil producer and exporter of oilseed, grain and sunflower oil in Moldova and in its key operating sectors enjoys a dominant market position (see "*Regulatory Overview—Moldova—Moldovan antimonopoly regulations*"). Currently, Moldovan antitrust law does not generally restrict competition in the market in which the Group operates. Although the Group believes that its operations are in compliance with applicable antitrust law and does not expect any material changes in the antitrust regime, there can be no assurance that it will not change in a way that may affect the Group's operations or expansion plans.

Moldovan antitrust authorities may seek to strictly enforce merger and antitrust control regulations, given the record levels of fines of up to EUR 1 million imposed in the past. The relevant regulator may also seek to bolster its foreign investment regulations. This could tighten merger control, antitrust control and foreign direct investment control in Moldova and restrict companies from controlling a particular share of the local market, directly or indirectly acquiring control over other companies or otherwise increasing the scale of their operations, which may affect the Group's operations or its expansion plans in a way which is difficult to predict, which could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, holding the dominant market position may result in various complaints by third parties and consequently the intervention and investigation by the Competition Council. Even if such investigations would not have the result of finding

an abuse of dominant position within the relevant market that affects the competition or damages the collective interests of the final consumers, they could negatively impact the Group's reputation and take up resources that could be used for other purposes.

The Group's internal controls may not be as advanced as those of companies in more developed countries

The Group's management information system, financial reporting function and system of internal controls relating to the preparation of IFRS financial statements may be less developed in certain respects and may not provide the Group's management with as detailed or as accurate information as those of agricultural companies in more developed markets.

Each of the Group's subsidiaries prepares separate financial statements under national accounting standards that are based on European Directives and IFRS. The treatment of certain items in such national accounting standards may differ from IFRS. The preparation of IFRS consolidated financial statements involves the consolidation of all subsidiaries' financial statements. This process is complicated and time-consuming and requires significant attention from the Group's senior accounting personnel at its corporate headquarters and subsidiaries. If for any reason the Group failed to maintain an adequate management information system, financial reporting function or system of internal controls, or experienced delays in preparing IFRS consolidated financial statements, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Potential changes in land legislation may impact the land market in Moldova, which may have an adverse effect on the Group's operations

Currently, foreign citizens and companies whose share capital contains foreign investments may not purchase agricultural and forest land in Moldova. The only viable option currently available for foreign companies in Moldova is to lease such types of land.

While the Moldovan law containing this prohibition dates from 1997, there is still no official discussion with respect to the liberalisation of the land market. However, there is no assurance that this restriction may not be lifted in the future, allowing foreign persons to acquire agricultural land in Moldova. This potential liberalisation may change the market for land in Moldova resulting in increased prices for agricultural land and land lease rates, as well as increased prices for agricultural products, tighten the competition and lead to increased interest in the Moldovan market from major foreign agricultural companies. Any of these could have a material adverse effect on the Group's operations, in particular, farming operations, while increased prices for agricultural produce in Moldova may affect the Group's margins, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Adverse developments in consumer markets could adversely affect the Group's business

World economic conditions may affect the performance of the Group. Factors such as inflation, interest rates, currency fluctuation, income growth and the rate of population growth, as well as the conflict in the Middle East and fluctuating energy and fuel prices that followed the strained political situation between Russia and the EU all constitute examples of events that increased volatility in the global economy and that could affect the economic growth of the markets into which the Group's products such as oilseed, grain, sunflower oil and meal are ultimately sold. All of those factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In particular, on a macroeconomic level, the war in Ukraine caused a significant recession in Moldova in 2022, with a 5.0 per cent. drop in GDP, alongside a surge in headline inflation (peaking at 34.6 per cent) and a growing current account deficit. While a moderate economic recovery and improved household incomes are expected for 2024, there are significant macroeconomic risks, including the potential intensification of the war in Ukraine, additional energy disruptions, and headwinds from the upcoming elections in 2025. Moldova's medium-term prospects hinge on structural reforms and progress toward EU accession.

Furthermore, geopolitical unrest and regional or national events that affect one or more of the regions where the Group operates could result in diplomatic crises, war, regional and/or cross-border crises or strikes, which may also affect the Group's performance in such markets. Additionally, natural disasters, epidemics, pandemics are also factors that have a severe impact on the macroeconomic conditions.

The Group could be adversely affected by market risks

The Group could be adversely affected by market risks that are outside of its control, including, without limitation, volatility in the benchmark interest/profit rates. An increase in the benchmark interest/profit rates generally may also adversely affect the Group's cash flows by adversely impacting its finance costs.

The U.S. Federal Reserve raised U.S. overnight interest rates by 25 basis points in March 2022, 50 basis points in May 2022, 75 basis points in each of June 2022, July 2022, September 2022 and November 2022, 50 basis points in December 2022 and 25 basis points in each of February 2023, March 2023, May 2023 and July 2023. While in September 2024, the U.S. Federal Reserve cut the overnight interest rate by 50 basis points, there can be no assurance that additional significant cuts will occur in the near term.

Many of the world's economies are experiencing elevated inflation, which is expected to remain as such for longer than previously forecast. According to the IMF, global headline inflation is expected to be 4.5 per cent. in 2025 and 3.7 per cent. in 2026. However, as with the growth outlook, considerable uncertainty surrounds these inflation projections and prolonged inflation could affect the wider global economy and as a result the Group's business, results of operations, financial condition or prospects.

The Group may fail to properly manage its storage facilities, silos and terminal and its products may be damaged in storage

The Group regularly purchases and stores commodities including seeds, grain and sunflower oil to meet the requirements of customers who have purchased them on a future delivery basis or seeds for further processing. The Group also provides storage capacity to farmers who wish to store their products while awaiting advantageous movements in the market price for their products. Crop storage entails significant risks associated with the storage environment, including moisture, temperature, humidity levels, pests, parasites and/or diseases. Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. While these risks are generally insured by the Group and the Group has considerable experience in operating crop storage facilities, implements crop rotation schemes and other procedures to ensure a high quality of its stored commodities and these risks are generally insured by the Group by reputable insurance providers, any significant damage to the Group's stored sunflower seeds or grain could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The value of the Group's products may deteriorate across various stages of its supply chain

The Group produces sunflower oil and trades in agricultural commodities on a large scale. Because of the nature and scale of its operations, the Group faces risks associated with the deterioration of its products in quality, weight or otherwise across various stages of its supply chain, including deterioration in storage, transportation, uploading and unloading operations, due to employee mistakes and otherwise. The Group's captive farming operations are subject to variation in yield due to weather conditions and other reasons. Although a particular level of inventory shrinkage and deterioration is an unavoidable cost of doing business, if the Group were to experience higher rates of inventory shrinkage or deterioration or incur increased costs to combat it, its business, results of operations and financial condition could be materially adversely affected.

The Group is subject to numerous environmental, health, fire, labour, sanitary, veterinary, safety and other laws and regulations, as well as potential environmental liabilities and the impact concerned local authorities and public opinion can have on its business, which may disrupt its business and require it to make substantial expenditures

The agriculture business involves a number of risks, including industrial accidents and environmental and food-processing hazards. As a result, the Group is subject to various environmental protection, occupational health, fire, labour, sanitary, veterinary, safety and other laws and regulations in Moldova, including those governing air emissions and the use, storage, treatment and disposal of hazardous materials, such as fertilisers, pesticides and fungicides. The applicable requirements under these laws are subject to amendment, imposition of new or additional requirements and changes in interpretations by government agencies or courts, and such laws and regulations are becoming more stringent. Similarly, changes in public opinion or the impact of environmental campaigns targeting local factories or industries may also result in disruptions to the Group's business. The discovery of presently unknown environmental conditions, changes in environmental, health, safety and other laws and regulations, enforcement of existing or new laws and regulations and other unanticipated events could also give rise to expenditures and liabilities, including the suspension, or the required decommissioning, of the work and usage of the relevant legal entity or its equipment and buildings, fines or penalties. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group has multiple leases, its rights to its land plots may be challenged, and the Group may not be able to renew its lease agreements

The Group leases land plots on which two of its silo facilities are situated. Further, the port facilities which the Group operates in Giurgiulesti port are situated on land plots leased under long-term lease agreements valid until 2032. The majority of the agricultural land plots leased by the Group's captive farmers are also leased from a large number of private individual lessors, while the remaining land plots are leased from public local authorities. This gives rise to a significant administrative burden and a number of risks, including the risk of closure and seizure of facilities located on leased land if the Group is unable to extend the respective lease agreements.

Under Moldovan law, the Group has a priority right to extend the term of a lease agreement upon its expiry. This is subject to the Group's compliance with the terms of the original lease, the lessors' willingness to continue leasing the land and the lessor's acceptance of the Group's lease terms despite other lessees offering better terms. In case of land taken on lease from public authorities, such agreements require the consent of the relevant public authority or, in the case of leases from cities and villages, the relevant local city/village council, which may not be granted due to political reasons.

There can be no assurance that all lease agreements will be renewed upon their expiration. Any challenge to the validity or enforceability of the Group's rights to land plots it currently leases or may lease in the future may result in the loss of the respective lease rights. A loss by the Group of its lease rights to land plots on which the Giurgiulesti, Reni or Bačka Palanka and Pančevo ports or its 46 inland silo storage facilities in Moldova, Romania and Serbia are located could adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's bulk trading operations derive a substantial portion of revenues from a number of key customers and the default of one or more of these customers could have an adverse effect on the Group's business, results of operations, financial condition and prospects

The Group derives a substantial portion of its revenues from the sale of seeds, grains and vegetable oil from key customers, which account for a significant portion of the Group's revenues. See "Business—Marketing, End Products and Services". In FY 2024/23, FY 2023/22 and FY 2022/21, the Group's top five bulk vegetable oil, oilseed and grain customers accounted for 20.4 per cent., 21.9 per cent. and 36.3 per cent. of its bulk vegetable oil, oilseed and grain sales revenue, respectively. Although management believes that this impact is lessened due to the commoditised nature of the business, the default of one or more of the Group's large customers could have an adverse effect on its business, results of operations and financial condition.

Changes in technology may render the current technologies obsolete or require the Group to make substantial capital investments

The manufacturing process in the agricultural industry, including the edible oils industry, is prone to technological and process changes, which may render the Group's current processes obsolete. In order to compete successfully with its competitors, the Group may be required to invest substantial sums to adopt newer technologies and processes, which may impact the profitability of the Group and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's operating subsidiaries have minority shareholders

The Parent owns less than 100 per cent. of the equity in certain of its subsidiaries based in Moldova and Ukraine, with the remaining equity being held by an insignificant number of minority shareholders. See "Business—Group Structure". The governing authorities of such subsidiaries, mainly their shareholders meetings, have in the past made and continue to make strategic and operational decisions and approve various business transactions which may be challenged by minority shareholders under the general provisions of Moldovan and Ukrainian law. In particular, related party transactions (including intra-Group transactions) proposed to be entered into by Group companies in Moldova that are joint stock companies or limited liability companies with shareholders that are not affiliates of the Group (e.g. "Floarea Soarelui" S.A., I.C.S. "Trans Bulk Logistics" S.R.L. and "Elevator Kelley Grains" S.A.), are to be approved by disinterested minority shareholders (which, with respect to "Floarea Soarelui" S.A., "Elevator Kelley Grains" S.A. and other joint stock companies within the Group, may include hundreds of individuals), which may limit the Group's ability to engage in certain transactions (including financing transactions) within the Group. Under Moldovan law, any shareholder has the right to challenge decisions taken at the general shareholders meeting (the "GSM") in breach of legislative requirements if such decisions violate its interests. The right to challenge the GSM decisions shall be subject to certain conditions and in some cases limitation periods of up to ten years. Further, minority shareholders have the right to sell their shares at

market value in a number of cases, including disagreement on the agenda of a general shareholder meeting, conclusion of a material transaction or a transaction which involves a conflict of interest, company reorganisation and others. Under Ukrainian law, any shareholder in a limited liability company or additional liability company has the right to challenge decisions taken at the general shareholders meeting in breach of legislative requirements if such decisions violate its interests, subject to a one-year statutory limitation period. Any such challenge may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group could fail to obtain, to maintain or to renew necessary permits, authorisations and/or certificates or fail to comply with the terms of its permits, authorisations and/or certificates

The Group's business depends on the continuing validity of several permits, the issuance of new permits and compliance with the terms of such permits, such as, for example, sanitary permits, authorisations for air emissions, authorisations for operations with waste, sanitary and veterinary certificates for commodities and/or other goods to be exported. Although management believes that the Group is in compliance in all material respects with applicable requirements to obtain, maintain and renew necessary permits, authorisations and certificates and comply with their terms, it may be unable to ensure full compliance with all applicable requirements due to their multitude and lack of clarity in their application. Further, regulatory authorities exercise discretion in the timing of permit issuance and renewal and in the monitoring of compliance with the terms of permits. In certain circumstances, state authorities in Moldova may seek to interfere with the issuance of permits, and the permitting process may also be influenced by outside commentary, political pressure and other extra-legal factors. Accordingly, there is a risk that permits needed by the Group's business may not be issued or renewed or that they may not be issued or renewed in a timely fashion. If the Group is unable to obtain, maintain or renew necessary permits, its business, results of operations, financial condition and prospects could be materially adversely affected.

The interests of the principal shareholders of the Group could conflict with those of the holders of the Notes

As of the date of this Information Memorandum, 87.5 per cent. of the Parent's issued ordinary shares are owned by Mr Vaja Jhashi, with the remainder being owned indirectly by Oaktree Capital Management. The Parent, Mr. Vaja Jhashi and Oaktree Capital Management are considering strategic options in relation to the equity stakes of Mr. Vaja Jhashi and Oaktree Capital Management in the Parent and discussing with various potential new strategic investors potential sell downs of minority stakes (in case of Mr. Vaja Jhashi) and the full exit from the investment (in case of Oaktree Capital Management), in the Parent. As part of these ongoing discussions, Mr. Vaja Jhashi and the Parent are also negotiating potential equity injections from such strategic investors to support further continued development of the Group. There is no assurance that any such transaction would be consummated in a timely manner or at all.

Mr. Vaja Jhashi has and is expected to retain his control over the Group for the foreseeable future and has the ability to elect a majority of the Parent's directors, appoint management, issue additional shares and approve certain actions requiring the approval of a majority of the Parent's shareholders (where required, together with Oaktree Capital Management (or any successor shareholder)). The interests of Mr. Vaja Jhashi or Oaktree Capital Management (or any successor shareholder) could conflict with those of holders of the Notes and materially adversely affect the value of any investment made by such holders of the Notes.

For more details, see also Note 30 to the Consolidated Financial Statements.

The Group's business is dependent upon information technology and communications systems, which could be affected by technical failures, human error, unauthorised access, cybercrime, natural hazards or disasters or similarly disruptive events

The Group's business is dependent on information technology and related communication systems. These systems may not be fully operational or may be damaged or disrupted because of technical failures, human error, unauthorised access, cybercrime, natural hazards or disasters, or similarly disruptive events. Any failure of the Group's information technology systems could adversely affect the overall operational and financial performance of the Group's business during the affected period and/or adversely affect its brand and reputation, any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group may fail to adequately protect its intellectual property rights

The Group relies on certain registered trademarks in the bottled oil segment, as well as other trademarks related to the Group's activity and products. Registration of these trademarks may not be sufficient to prevent third parties from copying

or otherwise obtaining and using the Group's developed techniques, products, processes, brand names or other intellectual property without authorisation, as additional registration of these specific intellectual property objects might be required for protection.

If the Group is unable to protect its proprietary rights against infringement or misappropriation, it could have an adverse effect on its future financial results and the ability to develop the Group's business.

In addition, the Group may need to engage in litigation in order to enforce the Group's intellectual property rights or to determine the validity and scope of the rights of others. Any litigation could result in substantial costs and diversion of management and other resources, either of which could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Country Specific Risks

The Group operates in a number of countries, with assets primarily located in the CEE region. In FY 2023/24, 90 per cent. of the Group's origination and marketing revenue was attributable to origination and marketing activities in the CEE region based on the country from which the commodities were sourced (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil based on the country where the commodities were sourced (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively). In addition, the Group operates 46 inland silo storage facilities (including 13 in Moldova, one in Romania and 32 in Serbia) and five sunflower crushing and refining plants in Moldova, Romania and Serbia. The Group operates two grain terminals and one oil terminal located at the Giurgiulesti port in Moldova, two grain terminals at the Reni port in Ukraine and two grain terminals at Bačka Palanka and Pančevo, Serbia. As a result, the Group is exposed to risks arising from developments in these countries.

Risks Relating to Moldova

Emerging markets such as Moldova are generally subject to greater risks than more developed markets, and global financial or economic crises or even turmoil in any large emerging market country could have an adverse effect on the Group's business

The Moldovan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as Moldova is more suitable for well-informed investors who fully appreciate that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Emerging economies, such as the Moldovan economy may also experience more instances of corruption of government officials than more mature markets. See also “—*Corruption and money laundering issues may have an adverse effect on the Moldovan economy*”. Investors should also note that emerging markets such as Moldova are subject to rapid change and that the information set out in this Information Memorandum may become outdated relatively quickly.

In particular, the COVID-19 pandemic and the war in Ukraine have had a severe impact on global macroeconomic conditions and Moldova's GDP. Furthermore, while there are relatively limited statistical data to evaluate thoroughly the impact of the crisis on local communities in Moldova, the impact was perceived as significant by the general population, members of the public administration and local businesses. Any further downturn in the global or local economy could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the value of the Notes.

Global financial or economic crises or even financial turmoil in any large emerging market country may tend to adversely affect prices in markets of most or all emerging market countries as investors move their money to more stable developed markets.

In addition, as has happened in the past, financial problems or an increase in perceived risks associated with investing in emerging economies could dampen foreign direct investments in Moldova and adversely affect the Moldovan economy. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Potential investors are advised to consult with their own legal and financial advisers before making an investment in the Notes.

Economic instability in Moldova could materially adversely affect the Group's business, results of operations, financial condition and prospects

In accordance with the most recent IMF country report, Moldova remains highly reliant on the agriculture sector and remittances from abroad, which have been insufficient to raise income standards and create jobs. Agriculture accounts for a third of employment and, together with the agro-processing sectors, for about one third of GDP. While remittances play an important role in reducing poverty, especially in rural areas, they are also associated with low labour participation and high reservation wages in the country.

In addition, Moldova has historically experienced high trade deficit levels and relatively high ratio of sovereign debt to GDP. As noted above, the Moldovan economy has been severely impacted by the COVID-19 pandemic and the war in Ukraine.

Any of the above or of the following risks, which the Moldovan economy has experienced at various times in the past and some of which are currently occurring, may have or have already had a significant adverse effect on the investment climate in Moldova and, in turn, may adversely affect the Group:

- significant declines in GDP;
- the impact of global pandemics such as COVID-19;
- the war in Ukraine;
- high levels of inflation;
- sudden price declines in the agriculture sector;
- an unstable currency and instability in the local currency market;
- a weak banking system providing limited liquidity to Moldovan enterprises;
- capital flight;
- corruption;
- underemployment and significant increases in unemployment;
- the impoverishment of a large portion of the Moldovan population;
- an immature and poorly operating judicial system;
- unstable legislation;
- widespread tax evasion;
- unstable credit conditions;
- outdated and deteriorating physical infrastructure; and
- the high share of grey-market economy.

Corruption and money laundering issues may have an adverse effect on the Moldovan economy

Corruption and allegations, or the perception of, corruption and/or money laundering issues in Moldova may have a negative impact on its economy and reputation abroad, particularly on its ability to attract foreign investment. International bodies such as the Financial Action Task Force on Money Laundering (“**FATF**”) and Transparency International have identified corruption and money laundering as areas for concern for Moldova. Moldova is ranked 76 out of 180 countries in terms of corruption, according to the 2023 Corruption Perceptions Index reported by Transparency International. In 2014, U.S.\$1 billion disappeared from three Moldovan banks, Banca de Economii, Unibank and Banca Socială, which were subsequently placed under special administration by the NBM. The three banks were then bailed out with state reserves, creating a deficit in Moldovan public finances. More generally, Moldovan banks have been suspected of involvement in money laundering by Russian entities. Moldova has since introduced a number of legislative measures

aimed at combating corruption and money laundering, including the prosecution of officials involved in the aforementioned events and the introduction of Law No. 308 dated 22 December 2017 of the prevention and combating money laundering and terrorism financing, with subsequent amendments. Law No. 308 transposed the provisions of Directive (EU) 2015/849 of the European Parliament and of the Council dated 20 May 2015 on the prevention of the use of financial system for the purposes of money laundering or terrorism financing and was introduced more generally to implement the requirements of international standards on the prevention and combating of money laundering, terrorism financing and proliferation of mass destruction weapons adopted by the FATF in 2012.

Moldova also introduced a national anti-corruption and integrity program covering the period 2024 to 2028. In February 2020, upon the completion of the Executive Board of the IMF's final review under the Extended Credit Facility and Extended Fund Facility Arrangements for the Republic of Moldova, it was noted that "perceptions of corruption and weak rule of law are entrenched, the regulatory framework is not properly enforced, informality is high, and a large state-owned entity sector poses fiscal risks and undermines competition and productivity". There can be no assurance, however, that the measures undertaken by Moldova will be sufficient to combat corruption and money laundering effectively and any further allegations, or the perception, of corruption in Moldova may have a negative impact on its economy and reputation abroad, especially on its ability to attract foreign investment.

While Moldova's most important trading partner is the European Union, its economy has in the past been and continues to be dependent on trade with Russia and certain other CIS countries and any significant crisis in relations with these countries (stemming for example from the war in Ukraine), absent a material increase in financial support and long-term trade with the European Union and other Western economies, could adversely affect the Group

While Moldova's most important trading partner is the European Union, which accounted for 53.7 per cent. of its total trade (and 65.4 per cent. of exports) in 2023, its economy has in the past been and continues to be dependent on its trade flows with Russia and the rest of the CIS. In 2023, 13.1 per cent. and 3.7 per cent. of trade was with Ukraine and Russia, respectively, with 8.1 per cent. with China.

Relations between Moldova and Russia have in the past been and continue to be strained due to, among other factors, the international conflict in the eastern part of Moldova, the war in Ukraine and sporadic Russian bans on imports of wine and other food products from Moldova. For further information, see "*—The Transnistrian conflict may create significant political and economic uncertainty in Moldova and put further strains on Moldova's relationship with Russia*".

Moldova has historically been reliant on trade with Russia and other CIS countries for various key imports, particularly natural gas and energy resources. While Moldova has made significant strides in strengthening trade relations with the European Union, its economy remains vulnerable to geopolitical tensions, particularly those stemming from the ongoing war in Ukraine. The conflict has disrupted traditional trade routes, created uncertainties in the supply of essential commodities such as natural gas, and increased Moldova's exposure to energy market volatility.

Moldova's natural gas supply traditionally came from Russia via a pipeline that transits Ukraine. However, due to the war and the resulting geopolitical instability, Ukraine has not renewed its transit contracts with Russia, creating uncertainty regarding future supplies. To mitigate these risks, Moldova has diversified its supply routes by securing natural gas through "reverse flow" from Romania. Romania's Transgaz completed the Ungheni-Chisinau Pipeline in 2021 and took over the operation of the entire gas transmission network in September 2023. This allowed further diversification of Moldova's gas supply. The state-owned supplier, Energocom, purchased the first gas supplies from alternative sources in October 2021, one of the main factors why reliance on Gazprom (Russia's state-owned natural gas company) supplies diminished significantly. The government changed legislation to enable commercial natural gas trade via this "reverse flow" (both physical and virtual) through the Trans-Balkan pipeline on Moldovan territory, which can position the country as a transit hub. Only the Russian-allied breakaway region of Transnistria is still receiving gas from Gazprom. This reverse flow ensures continued access to gas supplies, but at a higher cost compared to pre-war arrangements.

The cost of natural gas has increased significantly since the onset of the war, primarily driven by supply chain disruptions, heightened demand across Europe, and the broader geopolitical context that has reduced access to cheaper Russian supplies. These cost escalations have placed a strain on Moldova's economy and have required adjustments in both national energy policies and corporate energy sourcing strategies. Moldova has sought financial assistance from the European Union and other Western partners to cushion the economic impact of these higher energy prices, but the financial burden remains significant. To date, the reverse flow arrangement has helped maintain supply stability, although there have been temporary periods of reduced gas availability during peak demand seasons. While the Group has not been materially

affected by the increase in energy costs, as energy expenses represent only a small fraction of overall production and overhead costs, these developments may continue to have an adverse impact on the Moldovan economy more generally.

Any adverse developments in Moldova's relations with Russia and/or Ukraine, in particular any changes adversely affecting supplies of energy resources from Russia and/or Ukraine to Moldova, may have a material adverse effect on the Moldovan economy, which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

Political and governmental instability could create an uncertain operating environment hindering the Group's long-term planning ability and could have an adverse effect on the Group's business, results of operations, financial condition and prospects

Since its independence in 1991, the Republic of Moldova has undergone substantial political transformation to move from a constituent republic in a federal socialist state toward an independent pluralist democracy. During the first ten years of its independence and then since 2009 to date Moldova has experienced volatile coalition majorities and short-lived governments. In parallel with this political transformation, Moldova has pursued a programme of economic structural reform, designed to establish a free market economy through privatisation of state enterprises and deregulation of the economy. There can be no assurance that political and economic reforms in Moldova will continue, will not be reversed or will achieve their intended aims.

In December 2020, Maia Sandu was sworn as the new President of Moldova. Shortly thereafter, Prime Minister Chicu resigned, and an interim Prime Minister was appointed. In February 2021, the President appointed a candidate to form a new government, but the candidate received no support. Two parties formed a coalition to form a new government, but the President refused to appoint their candidate to form the government because it wanted to dissolve the Parliament and organise new general elections. Since taking office, President Sandu has refreshed contacts with the country's two neighbours, Romania and Ukraine. Ms. Sandu's foreign policy is oriented towards the Western countries.

Possible future changes in the government, particularly in light of Maia Sandu, who has pro-EU views, having won a second term in the 2024 Presidential elections (with 55.33 per cent. of votes), the 2024 EU referendum (where 50.38 per cent. voted for the constitutional amendment in relation to the Republic of Moldova joining the EU and the results of which were approved by the Constitutional Court on 31 October 2024) and the 2025 Parliament elections, as well as major policy shifts or a lack of consensus between the President of Moldova, the Government, the Parliament and powerful economic groups could lead to political instability. This may disrupt day-to-day operations or discourage foreign investment in Moldova, which may make the funding which the Group requires for the development of its projects unavailable to the Group in the future.

The Transnistrian conflict may create significant political and economic uncertainty in Moldova and put further strains on Moldova's relationship with Russia

Since 1992, the Transnistrian conflict has broken economic ties within the country. As a result of this territorial disintegration, Moldova lost control on its eastern border of a considerable part of its energy and industrial sectors. The conflict affected not only economic ties between the regions, but also the banking, monetary and payment systems.

Although the internal reintegration process is supported by external factors including the Republic of Moldova's European integration process and the participation of other states and international bodies, in particular the OSCE, in the regulatory process, the conflict remains frozen.

The continuing Moldovan separatist movement, and its possible escalation connected to the war in Ukraine, ethnic, religious, historical and other divisions have, on occasions, given rise to tensions, which, if these continue to escalate, could have significant political consequences, including the imposition of a state of emergency in some or all regions of Moldova. Moreover, any military conflict and the resulting heightened security measures may cause disruptions to domestic commerce and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Government policies, including policies targeted at specific individuals or companies, could have an adverse effect on the Group's business, results of operations, financial condition and prospects as well as investments in Moldova more generally

Any significant struggle over the direction of future economic reforms or the reversal of the reform process could lead to a deterioration in Moldova's investment climate that might constrain the Group's ability to obtain financing in the international capital markets or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Moreover, regulatory authorities in Moldova have a high degree of discretion and at times appear to exercise their discretion selectively or arbitrarily, without hearing or prior notice, and in a manner that is contrary to law or influenced by political or commercial considerations. Such arbitrary governmental actions have reportedly included denial or withdrawal of licences, sudden tax audits, criminal prosecutions and civil actions. Unlawful, selective or arbitrary government action, if directed at the Group's operations, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Further, if Moldova were to adopt restrictive economic measures against countries that are important to the Group's export business, or if trade between Moldova and such countries were otherwise disrupted for political or other reasons, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Moldovan banking system remains underdeveloped

Due to recent legislative amendments and the implementation of the Basel III standards, Moldovan legislation relating to banks and bank accounts is subject to varying interpretations and inconsistent applications.

In 2014, Moldova experienced a severe financial crisis, when U.S.\$1 billion disappeared from three large Moldovan banks: Banca de Economii, Unibank and Banca Socială, resulting in the implementation of bail-out measures by the Moldovan Government in relation to these banks. Following the crisis, the country made significant progress towards rehabilitating the financial sector. Namely, decisive progress has been made in improving shareholder transparency, corporate governance of the banking system and strengthening financial sector regulatory and supervisory frameworks. The Moldovan government also recently enacted an important regulation to strengthen the integrity and finality of the NBM's regulatory and supervisory decisions.

Although Moldova has since experienced a period of relative macroeconomic and financial stability, due in part to the special supervision regime imposed by the NBM on the top three Moldovan banks (maib, Moldindconbank and Victoriabank) and also the sale of significant shareholdings in the major banks to fit and proper shareholders (including international private equity firms, multilateral development banks and international banks such as the EBRD, Horizon Capital and Intesa Sanpaolo), significant challenges remain to restore the soundness of the banking system. With approximately 95 per cent. of the assets of the major Moldovan banks now being owned by foreign financial institutions, the dependency of the Moldovan banking system on foreign capital exposes the sector to external economic and political influences, which could lead to rapid capital outflows and increased volatility.

Any turmoil in the Moldovan banking system may have a material adverse effect on the Moldovan economy generally, which, in turn, may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Moldovan taxation system is underdeveloped and subject to frequent change

The taxation system of Moldova is still at an early stage of development and it is subject to various interpretation and constant changes, which may be retroactive. In certain circumstances, the tax authorities can be arbitrary in assessing tax penalties and liabilities. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the relevant transaction and start from 0.033 per cent. per day. In Moldova, tax periods for review remain open for last 4 years.

Moldovan tax laws primarily include the Tax Code from 1 January 1998, with subsequent amendments and regulatory acts adopted by the Government, Ministry of Finance, Main State Tax Inspectorate under the Ministry of Finance, Customs Service and other competent authorities of central and local public administration. The Tax Code is annually amended by the Parliament according to the medium-term budgetary framework ("MTBF") adopted once every two years. Although the Moldovan Government is focusing on the harmonisation of tax policies with EU standards, the local tax legislation and tax procedures still require essential improvements. The current tax legislation still induces misunderstandings among taxpayers and is open to different or various interpretations. Furthermore, there is a risk that the same tax issue can be differently treated by different tax inspectors or by different tax subdivisions of the tax authority.

Amendments to the Tax Code adopted during the last years have been made without following the usual order of adopting a law, by discussing the draft law first within two specialised committees of the Parliament and then proposing it for approval to the Parliament.

There can be no assurance that the Group would not be required to make substantially larger tax payments in the future, which may adversely affect its financial results. In addition to creating a substantial tax burden, these risks and uncertainties affect the Group's tax planning and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Exchange rate fluctuations could adversely affect the value of investments in Moldova

The Moldovan leu experienced significant depreciation against the U.S. dollar and the Euro at the beginning of 2015 due to a confluence of events, including a decrease in exports generally and more particularly, a decrease of capital inflows, as well as the economic situation in Russia (see “—*Economic instability in Moldova could materially adversely affect the Group's business, results of operations, financial condition and prospects*”). The Moldovan leu reached its historical minimum exchange rate of 24.01 to the Euro and 21.09 to the U.S. dollar on 18 February 2015. Since then, the exchange rate of the Moldovan leu has stabilised and it even appreciated. In October 2024, the Moldovan leu traded at an average rate of 19.23 to the Euro and 17.65 to the U.S. dollar. Nevertheless, occasional currency volatility still persists, stemming from Moldova's structural economic challenges and political instability.

While the majority of the Group's revenues are in foreign currencies, the Group has some of its borrowings, generates some of its revenues and incurs most of its expenses in Moldovan leu. Fluctuations in foreign currency exchange rates could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Inflation could increase the Group's costs

The Moldovan economy has been characterised by high rates of inflation. Inflation was 5.1 per cent., 28.57 per cent. and 13.44 per cent. in 2021, 2022 and 2023, respectively, according to the NBM. Due to competitive pressures, regulatory constraints or other factors, the Group may not be able to increase its prices sufficiently to preserve its margins. As a result, high rates of inflation could increase the Group's costs, and there can be no assurance that the Group will be able to maintain or increase its margins in such circumstances.

Foreign investment restrictions are unpredictable

Laws and regulations, particularly those involving business regulation, taxation, foreign investment and trade, that are applicable to the Group's activities can change quickly and unpredictably in a manner far more volatile than in developed market economies, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Social and labour unrest could lead to increased support for renewed centralised authority and a rise in nationalism or violence could restrict the Group's ability to conduct its business effectively

Social and labour unrest has arisen in the past and may arise in the future due to a failure of the Moldovan Government and private enterprises to pay full salaries on a regular basis and the failure of salaries and benefits generally to keep pace with the rapidly increasing cost of living and the elimination of many subsidised services. Such social and labour unrest may cause other significant political, social and economic consequences, such as increased violence or restrictions on foreign involvement in the economy of Moldova. Any of these consequences, could lead to instability and have a material adverse effect on the Moldovan economy, impair investor confidence and the value of investment in Moldova, delay completion of the Group's capital expenditure projects or disrupt operations at its production facilities and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Incomplete, unreliable or inaccurate official data and statistics could create uncertainty

The official data published by Moldovan national, regional and municipal government agencies are substantially less complete or reliable than those of some of the more economically developed countries of North America and Europe. Official statistics may also be produced on different bases than those used in more economically developed countries. Additionally, the Group relies on and refers to information and statistics from various third-party sources and its own internal estimates. For example, substantially all the information contained in this Information Memorandum concerning its competitors has been derived from publicly available information, including press releases. The Group believes that these sources and estimates are reliable, but the Group has not independently verified them. However, to the extent that

such sources or estimates are based on official data released by Moldovan national, regional and municipal government agencies, they will be subject to the same uncertainty. Certain discussion of matters relating to Moldova in this Information Memorandum is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information.

Moldova's physical infrastructure is in poor condition, which could disrupt or impair the Group's normal business activity

Moldova's physical infrastructure largely dates back to Soviet times, and it has not been adequately funded and maintained. The infrastructure that is particularly affected includes rail and road networks, power generation and transmission systems. With a view to increasing capital inflows and private investment into Moldova's physical infrastructure, the Moldovan Government has launched a number of infrastructure modernisation programmes, including through public acquisition projects. In particular, over the last four to five years, there have been significant investments and works done on the national road system, with two major highways undergoing substantial repairs. However, large scale physical infrastructure projects may be hampered by the lack of experience of the Moldovan Government and/or relevant agencies in managing them. Notably, the State Road Administration has many disputes with foreign contractors.

While there are some targeted modernisation efforts, Moldova's physical infrastructure, by and large, remains in poor shape. This may harm the national economy, disrupt the transportation of goods, increase costs of doing business in Moldova and disrupt business operations, any of which would have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Uncertainties relating to the Moldovan legal system could have an adverse effect on its economy

Since independence in 1991, the Moldovan legal system has been successfully developing to support market-based economy. However, the Moldovan legal system is still in transition.

Risks associated with the Moldovan legal system include: (i) inconsistencies between and among the Moldovan Constitution, various laws and other normative acts; (ii) provisions in the laws and normative acts that are ambiguously worded or suffer a lack of specificity and thereby raise difficulties when implemented or interpreted; and (iii) difficulty in predicting the outcome of the application of Moldovan legislation due to, amongst other factors, a general inconsistency in the legal interpretation of such legislation in the same or similar cases. See “—*The on-going development in the legislation of Moldova where the Group operates creates an uncertain environment for investment and for business activity*”.

These factors that impact the Moldovan legal system make an investment in the Notes subject to greater risks and uncertainties than an investment in a country with a more mature legal system.

The on-going development in the legislation of Moldova where the Group operates creates an uncertain environment for investment and for business activity

Moldova is still developing the legal framework required by a market economy. The Group's business is subject to the rules of laws and decrees, orders and regulations issued by the President, the Parliament, the Government, the ministries and regulatory authorities. Several fundamental Moldovan laws have only become effective within the past ten to twenty years and many have recently been amended or are under the amendment process. In particular, the significant amendment to the Civil Code in March 2019 and the enactment of a new Administrative Code might undermine the legality of certain normative subordinated acts. An unofficial public tacit consent exists that the mentioned amendments and new laws may result in a lack of clarity and an increasing number of conflicts with regulatory authorities.

The recent nature of many Moldovan laws and the rapid evolution of the Moldovan legal system place the enforceability of laws in doubt and result in ambiguities, inconsistencies and anomalies. No assurance can be given that local legislation will become stable and more consistent in the future. In addition, many new laws remain untested.

Among the risks of the current Moldovan legal system, as compared to legal systems of developed countries in Western Europe, to varying degrees, are: inconsistencies among laws and regulations issued by various state bodies and regulatory authorities; limited judicial and administrative guidance on interpreting Moldovan law; the possibility of undue influence on or manipulation of judges; substantial gaps in the regulatory structure due to delay or absence of implementing legislation and a high degree of discretion on the part of governmental authorities. In particular, Moldovan laws at times set strict requirements.

Vulnerabilities related to the rule of law and weak public state bodies may overshadow the progress in the business environment

According to the now-discontinued World Bank's Doing Business project measurements, in 2016 - 2020 the Republic of Moldova ranked among the top 50 economies for ease of doing business. In 2019, the country ranked 48th in this Doing Business report, with an increase in the score of 1.3 points – to 74.4 out of 100. This was in part due to improvements in the manner of obtaining building permits and performing contracts. At the same time, data from the World Bank's Cost of Doing Business survey, conducted on a representative sample, showed that only 8 per cent. of Moldovan companies think that all enterprises are treated equally before the law, which highlights the major discrepancy between the legal framework and its effective implementation.

The failure to effectively enforce the laws and regulations on taxation, foreign investment and trade, that are applicable to the Group's activities can have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Uncertainties relating to Moldovan judicial system could have an adverse effect on the Group's ability to enforce its rights and/or to defend against claims

Because the country is a civil law jurisdiction, judicial decisions under Moldovan law have no official precedential effect. Pursuant to the measuring regulations of the Doing Business project, Moldova has generally, in the recent years, strengthened the procedure of enforcing rights. Furthermore, during the past four years, the Moldovan judicial system has undergone significant reforms aimed at aligning the country with European Union standards, combating corruption and rebuilding public confidence in the judiciary system. Still, since courts are generally not bound by earlier decisions taken under the same or similar circumstances, this can result in the inconsistent application of the Moldovan law.

The independence of the judicial system and its immunity from economic and political influences in Moldova remains largely untested. Court claims may be used to further political aims. The Group may be subject to such claims and may not be able to receive a fair hearing.

In addition, enforcement procedures are often difficult and time-consuming and may fail for a variety of reasons, including insufficiency of the debtor's funds, the debtor's abuse of the institution of insolvency against the creditor and a poorly functioning court enforcement system. Also, even in the case of successful enforcement of a court order or judgment, a higher or same-rank court may reverse the court order or judgment and require that the relevant funds or property be restored to the defendant.

The above risks could affect the Group's ability to ascertain its rights or to seek or obtain effective redress in the Moldovan courts, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Any changes in Moldova's Association and Free Trade Agreement with the EU or the cooperation between Moldova and the EU may have an impact on the Group's business

Moldova is undergoing an ongoing integration with the EU, having (i) signed an Association and Free Trade Agreement with the EU in 2014, which came in force in 2016 and establishes a free trade area regime with the EU, including a zero-levy export regime for agricultural produce based on renewed export quotas; and (ii) received EU candidate status in June 2022, followed by opening of the accession negotiations in December 2023. Currently, EU association is expected to drive both increased trade with the EU and economic growth in Moldova, including support for the agricultural sector, modernisation of transport infrastructure and reform of government institutions. Any changes in Moldova's Association and Free Trade Agreement with the EU or the cooperation between Moldova and the EU generally, affecting the trade regime, introducing limitations on quotas or any administrative, protective, fiscal or other barriers or burdens may hinder the Group's export into the EU, which will have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to numerous Moldovan health and safety, fire safety, construction, waste management, sanitary control and supervision laws and regulations ("EHS"), including food safety and labelling requirements, which may require it to make substantial expenditure or engage in clean-up and other activities

The Group's operations and properties are subject to numerous national health and safety, fire safety, construction, waste management, sanitary control and other laws and regulations, including those related to health and safety as well as to

various solid, liquid and gaseous waste management and handling of substances such as chemicals. EHS laws and regulations are complex and tend to become more stringent over time. For more information, see “*Regulatory Overview — Moldova — Health and safety*”; “*Regulatory Overview — Moldova — Fire safety*”; “*Regulatory Overview — Moldova — Sanitary control and supervision*” and “*Regulatory Overview — Moldova — Food safety and labelling requirements*”.

In particular, the new Moldovan Law on Industrial Emissions no. 227/2022, which entered into force on 21 October 2024, and which materially changes a number of regulatory regimes affecting the operations of the Group in Moldova (and requires the Group to secure certain environmental authorizations), may entail significant administrative and compliance costs for the Group.

Additionally, when expanding its operations in Moldova and putting in place new facilities, the Group is subject to construction permitting laws, requiring subsidiaries of the Group to timely obtain various construction related permits and duly comply with their requirements. These requirements are often complex and, in some instances, inconsistent. As a result, the Group may not always fully comply with such requirements.

Violation of these laws and regulations can result in substantial penalties, civil and criminal sanctions, permit revocations, demolition of unauthorised constructions and unplanned facility shutdowns. The Group may not always be in compliance with the above-mentioned laws and regulations.

Additionally, future EHS laws and regulations setting more vigorous enforcement of current laws and regulations, whether caused by violations of EHS laws and regulations by the Moldovan operating entities of the Group or anything else, may require the Group to make substantial expenditure, and its costs to comply with, or any liabilities under, these laws and regulations could have a material adverse effect on its financial condition and results of operations.

Complaints and legal actions by suppliers, customers, employees and other third parties

As described above, the Group’s activities are subject to extensive laws and regulations governing various matters. These include laws and regulations relating to anti-trust, environmental protection, management and use of waste, permits and authorisations granted by various governmental agencies, employment of expatriates, labour and occupational health and safety standards.

Due to the lack of a mature legal practice, in certain cases, there may be significant uncertainty as to the correct legal position as well as the possibility of laws changing or new laws and regulations being enacted. Consequently, the Group could be the target of complaints and legal actions initiated by suppliers, customers, employees and other third parties alleging health, sanitary, environmental or other related issues to the activity of the Group, or failure to comply with applicable legislation.

The Group could also face legal actions from its employees in relation to perceived or actual violations of strict labour law requirements.

Even if such disputes were to be resolved successfully, without having adverse financial consequences, they could negatively impact the Group’s reputation and take up resources that could be used for other purposes.

Moldovan legal entities may be liquidated on the basis of a lack of strict compliance with certain legal or procedural requirements

Certain provisions of Moldovan law provide for the mandatory liquidation of legal entities if they have not complied strictly with certain requirements relating to their formation or operation. Grounds that may result in mandatory liquidation of a legal entity include, among others, the following: (i) the formation of the entity is vitiated or its constitutive acts are contrary to the legal provisions in force, (ii) the share capital has fallen lower than the minimum legal limit for more than six months, (iii) the tax, accounting and statistical statements have not been filed after 12 months from the expiration of the required term, and (iv) conduct of criminally punishable activities.

In addition, if after three consecutive fiscal years, except the first fiscal year, the net assets of the company fall lower than the share capital, any shareholder is entitled to require the shareholder meeting to resolve the reduction of the share capital, or increase of the net assets, or dissolution of the company, or its reorganization through transformation into another legal form. Failure of the shareholder meeting to adopt the required resolution shall entitle the shareholder to request the share redemption, at fair market value, or a split-off of the shareholder’s share. Failure of the company to satisfy the redemption or a share split-off request shall entitle the shareholder to seek for the company court dissolution.

If a court takes an unfavourable view of the Group's compliance with legal requirements indicated above, the Group may need to restructure its operations, which could have a material adverse effect on its business, financial condition and results of operations.

Weak corporate governance regulations and untested disclosure and reporting requirements may affect the Group's capacity to effectively reach its objectives

A significant share of the Group's operations is conducted through Moldovan companies, where corporate governance requirements do not generally meet the international standards. The Code of Corporate Governance enacted by the Moldovan capital market regulator is neither mandatory for non-public entities, nor uniformly complied with on the market. As per the latest EBRD country report, *Corporate Governance in Transition Economies*, the corporate governance regulations are not fully observed by the Moldovan companies, and no monitoring by the relevant Moldovan authorities exist in this respect.

In addition, corporate disclosure and reporting requirements have only recently been enacted in Moldova. Public entities are required among others to (i) publish their annual report on a newspaper or on their websites, (ii) apply IFRS with regard to their financial statements, and (iii) publish the minutes of the general shareholders' meeting on their websites.

The relevant Group companies may not always be in compliance with the above-mentioned requirements. Thus, the expenditure for the observance of these laws and regulations, which the Group may be obliged to make, could have a material adverse effect on its financial condition and results of operations.

Moldovan tax authorities' approach to tax law enforcement and interpretation of legislation may be unpredictable and selective

As the Moldovan tax laws and regulations are subject to frequent changes and some of the tax laws and regulations are relatively new, the interpretation and application of these laws and regulations is often unclear, unstable or non-existent. Contradicting interpretations of tax laws and regulations may exist at central and local levels, increasing uncertainties and tax risks, and leading to the inconsistent enforcement of these tax laws and regulations.

As taxpayers and the Moldovan tax authorities often interpret tax laws differently, taxpayers often need to resort to court proceedings to defend their position against the Moldovan tax authorities. In the absence of any binding precedent or consistent case law, decisions on tax or other related matters taken by different courts relating to the same or similar circumstances may be inconsistent or contradictory.

These uncertainties could result in a greater than expected tax burden and difficulties in assessing the Group's tax position in Moldova and could have a material adverse effect on the Group's business, results of operations and financial condition, the Moldovan Guarantors' ability to perform their obligations under the Initial Guarantees or the trading price of the Notes.

Repeated tax audits and extension of liability beyond the limitation period may result in additional tax liabilities for the Group

Tax authorities are entitled to audit tax for the year in which the decision to conduct a tax audit is taken and for a period of four calendar years immediately preceding such year. However, the fact that a particular tax period has been reviewed does not automatically exclude the possibility of a repetitive review of the same period by the same or a higher tax body (where such audit is carried out in connection with the restructuring/liquidation of a taxpayer, or as a result of filing by such taxpayer of an amended tax return decreasing the tax payable, or by a higher-level tax authority for the purpose of examining the activities of lower-level tax authorities). Any such review could, if it is concluded that the Group had significant unpaid taxes relating to such periods, have a material adverse effect on the Group's business, results of operations and financial condition. Additionally, the general four-year limitation period does not apply to taxes and similar obligations, including tax sanctions and penalties, where the relevant tax report contained misleading information, presented facts that constitute a criminal offense or was not submitted at all. If interpreted broadly, this exemption from the application of the general limitation period would potentially allow Moldovan tax authorities to review and impose tax obligations and sanctions in relation to circumstances that are older than four years.

The commodity import licensing mechanism adversely impacts the Group's crushing and refining operations

In October 2023, the Moldovan Commission for Emergency Situations introduced the import licensing mechanism aimed at protecting local agricultural producers, particularly restricting the import of grains and oilseeds, including sunflower seeds, which are needed for the production of vegetable oil. Subsequently, this mechanism was incorporated into the Law

No. 170 of 4 July 2024 on Provisional Licensing of Cereal and Oil Crops Import (“**Law No. 170**”). This mechanism imposes quotas, requiring import licences for the aforementioned commodities. The import licensing mechanism will remain in force until 31 December 2024, a term that can be extended by the Moldovan Government for up to 12 months at the proposal of the Ministry of Agriculture and Food Industry.

The Group is in compliance with the import licensing mechanism and intends to maintain its compliance for as long as such mechanism remains in force. During FY 2023/24, the import restriction had very limited impact on the Group’s crushing operations in Moldova. Additionally, the Group obtained a licence to import around 60 thousand tonnes of sunflower seeds from Ukraine in FY 2024/25.

Requests for the issuance of import licences can be made by any individual and legal entity operating in several relevant sectors, including in vegetable oil production sector. The requests are examined by a committee made up of representatives of the Ministry of Agriculture and Food Industry, the Ministry of Economic Development and Digitalization, the National Agency for Food Safety and representatives of relevant associations. The licences are issued free of charge. The individuals and legal entities who have received an import licence do not have the right to trade and/or export the imported goods subject to licensing (see also “*Business—Regulatory Compliance—Import Licensing Mechanism*”).

Although Law No. 170 provides predictability in terms of the period for which the above mechanism will apply (currently until 31 December 2024, extendable for up to 12 additional months), it is still unclear whether the Moldovan Government will comply with the 12-month maximum extension or will propose that the Moldovan legislator amend Law No. 170 and shorten the maximum term of import licenses, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

Risks Relating to Ukraine

The Russian war against Ukraine has had, and is likely to continue to have, negative humanitarian, economic and political consequences for Ukraine

Since 2014, certain parts of Ukraine’s territory (Crimea, the city of Sevastopol and parts of the Donetsk and Luhansk regions in Eastern Ukraine) are occupied by Russia. On 24 February 2022, Russia escalated its aggression with a full-scale military invasion of Ukraine. Since then, Russia has conducted and continues to conduct military attacks by land, air and sea across Ukraine, targeting essential civilian, industrial and critical infrastructure, as well as residential areas and military sites. Ukrainian cities and towns have endured relentless and indiscriminate bombardment by the Russian armed forces. Substantial areas of Ukraine’s territory are under the temporary occupation by the Russian military. The armed forces of Ukraine are resisting the invasion, however the broad scale and intensity of Russia’s attacks have created an enormous economic, humanitarian and refugee crisis in Ukraine. Beyond the significant humanitarian consequences, this has resulted in a loss of a substantial proportion of the country’s productive capacity and a consequent fall in Ukraine’s gross domestic product, and in an increased military and social welfare expenditure. The Russian war against Ukraine has also had far-reaching adverse effects on foreign investment in Ukraine, as well as on the country’s economic growth. Despite the Verkhovna Rada (parliament), the Government and the President continuing their functions without interruption, the ongoing Russian invasion poses extraordinary risks to Ukraine’s economic, financial, and social development, as well as its territorial integrity. Although Ukraine has received substantial international support (including military supplies and sanctions regimes imposed worldwide) there has been no significant improvement in the security and humanitarian situation, and the prospect of ending the war in the near future remains uncertain.

These factors have had, and are likely to continue to have, a significant detrimental effect on Ukraine’s security, economy and social and political stability and, consequently, may adversely affect the Group’s operations in Ukraine.

Ukraine has experienced, and continues to experience, significant economic instability

Although the military actions in some parts of the Donetsk and Luhansk regions of Ukraine have materially and adversely affected Ukraine’s economy starting from 2014, Ukraine still experienced modest GDP growth between 2016 and 2019, with increases of 2.4 per cent. and 2.5 per cent. in 2016 and 2017, followed by 3.5 per cent. and 3.2 per cent. in 2018 and 2019, respectively. However, the COVID-19 pandemic significantly impacted the economy, resulting in a 4.2 per cent. decline in GDP in 2020. Ukraine achieved GDP growth of 3.4 per cent. in 2021 as it emerged from the COVID-19 pandemic. However, in 2022, as a result of the Russian full-scale invasion, Ukraine’s GDP fell by almost 30 per cent.

Ukraine continues to experience severe economic instability as a direct consequence of the Russian military aggression against Ukraine, now in its third year. This war has inflicted losses on both the population and the economy and created a

highly uncertain environment affecting all spheres of life in Ukraine. A large share of Ukraine's productive capacity and infrastructure has been devastated by the Russian military attacks. Increased defence expenditures, coupled with a significant decrease in the economic activity, have led to a projected budget deficit of 19.4 per cent. of GDP for 2025, compared to just 3.8 per cent. in 2021. The government is expected to require approximately \$40 billion of external funds to address this deficit.

While recent assessments indicate resilience and some signs of recovery, the overall economic performance is still significantly compromised, with Ukraine's GDP approximately 25 per cent. below pre-war levels. According to various forecasts, Ukraine's GDP would reach its pre-war level not earlier than in 2030, with the intensity and duration of the Russian aggression remaining the major source of forecasted uncertainty.

Any further deterioration in Ukraine's economic condition, compounded by the ongoing Russian military aggression against Ukraine, could adversely affect the Group's business, operational results, and financial stability.

Ukraine's currency is subject to volatility and depreciation

In view of the high degree of dollarisation of the Ukrainian economy and the reliance of Ukrainian borrowers on external markets for financing, Ukraine has become increasingly exposed to the risk of Hryvnia exchange rate fluctuations. After 24 February 2022, the Hryvnia underwent significant changes due to the economic impact of the Russian full-scale invasion of Ukraine. Initially, the National Bank of Ukraine (the "NBU") fixed the exchange rate at UAH 29.25 to U.S.\$1.00 to stabilize the financial system. However, as the war progressed, the fixed rate was adjusted to UAH 36.56 to U.S.\$1.00 on 21 July 2022, to better reflect the economic conditions and support the resilience of the economy. To prevent significant imbalances in the foreign exchange market, the NBU imposed significant foreign exchange restrictions and limitations on the outflow of foreign currency from Ukraine on 24 February 2022 (see "*—Ukrainian martial law currency control restrictions may impact the Ukrainian Guarantors' ability to make payments under the Suretyships and the Security Trustee's ability to repatriate proceeds of enforcement of the Ukrainian Security from Ukraine*").

In October 2023, the NBU transitioned to a "managed flexibility" regime for the Hryvnia. This policy shift was driven by improvements in inflation control, increased international reserves and the attractiveness of UAH deposits and domestic government debt securities. Under this new regime, the exchange rate is determined by transactions in the interbank foreign exchange market, allowing for controlled fluctuations while preventing significant weakening or strengthening of the Hryvnia. This managed flexibility was aimed to enhance the resilience of the Ukrainian economy and foreign exchange market, promoting better adaptation to domestic and external shocks and reducing the risks associated with a long-term fixed exchange rate. After the NBU transitioned to the managed flexibility regime, the Hryvnia had depreciated, by 30 September 2024, by approximately 10-15 per cent. to UAH41.16 to U.S.\$1.00.

Ukraine's infrastructure is in poor condition and may further deteriorate, which may lead to disruptions in the Group's business or increase its costs

Ukraine's physical infrastructure, including its power generation, transmission and communication systems and building stock largely dates back to the Soviet times and has faced underfunding and neglect over the past decade. The ongoing full-scale invasion by Russia has resulted in a further deterioration of Ukraine's infrastructure, bringing extensive damage with estimates of total infrastructure losses exceeding U.S.\$155 billion (as of January 2024). The Russian war against Ukraine has led to massive bombardments and missile strikes on the critical infrastructure, compounding existing challenges and leaving dozens of objects in a disrepair. The continuous degradation of Ukraine's infrastructure has an adverse effect on the national economy, disrupts the transportation of goods and supplies, and increases costs to doing business in Ukraine

Further deterioration in Ukraine's infrastructure could have a material adverse effect on the Group's operations in Ukraine.

Ukraine's developing legal system creates risks and uncertainties for participants in the Ukrainian economy

Since independence in 1991, as Ukraine has been transforming from a planned to a market-based economy, the Ukrainian legal system has also been developing to support this transformation. Ukraine's legal system, although quite developed and undergoing significant and tangible alignment with the legal system and regulatory standards of the European Union, is still in transition, which creates greater risks and uncertainties compared to more mature legal systems. The Russian war against Ukraine and imposition of martial law have further complicated the legal landscape, leading to, among other things, significant regulatory restrictions on the movement of capital, lack of consistency in the tax rules, and frequent changes in

legislation aimed to address the wartime needs. Key risks associated with the Ukrainian legal system include, but are not limited to:

- inconsistencies between the Constitution of Ukraine and various laws, presidential decrees, governmental, ministerial and local orders, decisions, resolutions and other acts;
- provisions in laws and regulations that are ambiguously worded or lack specificity and thereby raise difficulties when implemented or interpreted;
- rapid and frequent changes of Ukrainian legislation that can lead to instability and uncertainty with respect to legal compliance;
- different and sometimes controversial practices of interpreting and applying laws by state authorities and courts;
- the relative inexperience of judges and courts in interpreting Ukrainian legislation, specifically in dealings with sophisticated business and corporate law matters;
- corruption within the judiciary; and
- a high degree of discretion on the part of governmental and military authorities, which could result in arbitrary actions.

The ongoing Russian war against Ukraine heightens these concerns, as legislation may be modified even more rapidly leading to further ambiguities and inconsistencies. In addition, Ukrainian laws often contemplate implementing regulations, and often such regulations are promulgated with significant time delays, leaving substantial gaps in the regulatory system, or are promulgated with substantial deviation from the principles contemplated by the underlying laws, which results in a lack of clarity and an increasing number of conflicts with regulatory authorities.

Corruption and money laundering may have an adverse effect on the Ukrainian economy

In accordance with Ukrainian anti-money laundering legislation effective since June 2003, the NBU and the other state authorities, as well as various entities performing financial transactions, are required to monitor financial transactions for indicators of money laundering. As a result of the implementation of this legislation, Ukraine was removed from the list of non-cooperative countries and territories by the Financial Action Task Force on Money Laundering (the “**FATF**”) in February 2004, and in January 2006 FATF suspended the formal monitoring of Ukraine. That said, external analysts, as well as Ukraine’s official and multilateral partners, have identified corruption and money laundering as problems in Ukraine. In particular, corruption and money laundering allegations and concerns have been identified in relation to Ukraine, including various private and government entities and officials in the country, prior to Euro-Maidan revolution.

Following the events of the Euro-Maidan revolution, Ukraine made significant efforts to combat corruption and money laundering, adopting a series of relevant laws in 2014 and 2017. In order to enforce the new legislation, the National Anti-Corruption Bureau of Ukraine (the “**Anti-Corruption Bureau**”) and the National Agency on Corruption Prevention (the “**Agency on Corruption Prevention**”) were established in 2015 and 2016, respectively. The Agency on Corruption Prevention implemented a system for electronic declarations starting September 2016, with over 115,000 officials participating in the first submission phase. As of 17 July 2019, the Agency on Corruption Prevention made decisions on 1277 declarations as a result of such verification.

In addition, in accordance with the IMF requirements, in 2018 the Parliament of Ukraine passed the law “On the High Anti-Corruption Court”. The High Anti-Corruption Court (the “**HACC**”) commenced its operation in September 2019, and by the end of September 2023 delivered 48 verdicts against 64 defendants in the first instance, and 26 verdicts against 32 defendants in the second instance. The HACC cases concerned prominent high-level public officials including former deputy ministers, former parliamentarians and high-level judges, e.g. the serving President of the Supreme Court.

Despite the ongoing Russian military aggression, Ukraine continues to strengthen the anti-corruption framework. New legislative, strategic and institutional improvements were pursued, including the adoption of the national anti-corruption strategy in June 2022, accompanied by a comprehensive state programme for its implementation adopted in March 2023.

Further, the Specialized Anti-Corruption Prosecutor’s Office (the “**SAPO**”), a structural division of the Prosecutor General’s Office, was re-launched in the end of 2023 to oversee the activities of the Anti-Corruption Bureau. SAPO is primarily responsible for supporting and overseeing the criminal investigations launched by the Anti-Corruption Bureau

which increased investigations into high-profile corruption cases.

However, the ongoing war brings additional challenges in combating money laundering and corruption, diverting resources and attention away from essential reforms. The instability created by the Russian military aggression against Ukraine can hinder effective oversight, create opportunities for corruption, and complicate the enforcement of existing regulations.

Failure to sustain and effectively implement anti-corruption initiatives may have a negative effect on the economy of Ukraine, which could in turn have a material adverse effect on Group's business operating in Ukraine, its results of operations and financial condition.

The judiciary's lack of independence and overall experience, difficulty in enforcing court decisions and governmental discretion in enforcing claims could prevent the Issuer or investors from obtaining effective redress in court proceedings

The independence of the judicial system and its immunity from economic and political influences in Ukraine remain questionable. The system of constitutional jurisdiction is too complicated to ensure the smooth and effective removal of discrepancies between the Constitution of Ukraine on the one hand, and various laws of Ukraine on the other hand.

The court system is understaffed and underfunded, which, among other things, often affects the efficiency of the Ukrainian court proceedings. Because Ukraine is a civil law jurisdiction, judicial decisions generally (with the exception of the decisions of the Supreme Court) have no precedential effect on subsequent decisions, and courts are generally not bound by earlier decisions taken under the same or similar circumstances, which can result in the inconsistent application of Ukrainian legislation to resolve the same or similar disputes.

Enforcement of court orders and judgments can, in practice, be difficult and lengthy in Ukraine. The State Enforcement Service, a body independent of the Ukrainian courts, is responsible for the enforcement of court orders and judgments in Ukraine. Enforcement procedures are often time-consuming and may fail for a variety of reasons, including the defendant lacking sufficient funds, the complexity of auction procedures for the sale of the defendant's property or the defendant undergoing bankruptcy proceedings. In addition, the State Enforcement Service has limited authority to enforce court orders and judgments quickly and efficiently. Ukrainian enforcement agencies are bound by the method of enforcement envisaged by the relevant court order or judgment and may not independently change such method even if it proves to be inefficient or unrealisable. Furthermore, notwithstanding the successful execution of a court order or a judgment, a higher court may reverse the court order or judgment and require that the relevant funds or property be restored to the defendant. In practice, the procedures employed by the State Enforcement Service do not always comply with the applicable legal requirements, resulting in delays to or failures in enforcement of court orders and judgments.

Alternatively, court decisions and judgments (subject to some statutory limitations) can be enforced by private enforcement officers (private bailiffs). In practice, private enforcement officers operate in a more efficient manner in comparison with the enforcement officers of the State Enforcement Service.

The foregoing factors make judicial decisions in Ukraine difficult to predict and effective redress uncertain. The uncertainties of the Ukrainian judicial system could have a negative effect on the Ukrainian economy and on the Group's business operating in Ukraine, results of operations and financial condition.

Disclosure and reporting requirements remain less developed than those of more developed countries

Disclosure, reporting requirements and anti-fraud legislation in Ukraine have only recently been adapted to the requirements of the market economy and remain untested. Most Ukrainian companies do not have corporate governance procedures that are in line with Western standards. While the Issuer considers that it has adequate corporate governance and internal reporting procedures in place, violations of disclosure and reporting requirements by the company's Ukrainian subsidiaries or their management could significantly affect the receipt of material information or result in inappropriate management decisions, which in turn may have a material adverse effect on Group's business, results of operations and financial condition.

Risks Relating to Romania

Political and economic uncertainty in Romania could have an adverse effect on the Group's operations.

Romania has undergone major changes during its recent history. Many political and economic reforms have been implemented, but Romania's economy still has a number of structural weaknesses. These include undercapitalisation of

both private and public firms, a comparatively large population living and working abroad (around 3.5 million, or 18 per cent. of the total Romanian population), an ageing population coupled with negative population growth, relatively high levels of illegal migration driven in part by Romania's status as a transit country for many immigrants, a very uneven distribution of GDP between regions, a significant transport infrastructure gap, historical current account deficits, as well as delayed absorption of EU funds and a failure to implement certain key reforms. While Romania has generally been politically stable and has had one of the fastest growing economies in the EU since 2010, potential political uncertainty due to upcoming elections, the slowdown in economic activity since 2023, increasing direct pressure and the volatile external environment could all have an adverse impact on Romania's economy. The Group does not rely on Romanian internal market to sell its goods, yet any potential worsening of the overall economic and political climate might impact the Group's activities in the country, which could in turn have a material adverse effect on Group's business, results of operations and financial condition.

Infrastructure in Romania is underdeveloped, and Romania may experience difficulties in financing and developing infrastructure successfully

Compared to many developed countries, infrastructure in Romania, particularly the transportation system, is underdeveloped. The poor infrastructure is due partly to the dominance of inefficient state-owned enterprises where the quality of public governance is relatively low. Romania currently has several programs, including the Large Infrastructure Operational Program, to undertake various development projects to improve the infrastructure. Romania also funds infrastructure development using budgetary sources, facilities provided by international development financial institutions and EU non-reimbursable funds and thus the development of infrastructure projects is connected to Romania's capacity to absorb such EU funds. However, the funding and construction of infrastructure has been challenging. Lack of adequate railway and road infrastructure may impede the Group's ability to transport commodities within the country. Poor infrastructure may also lead to an increase in the Group's transportation costs and negatively affect the Group's competitiveness in the CEE. Any of the foregoing could have a material adverse effect on Group's business, results of operations and financial condition.

Corruption, inconsistent application of laws and money laundering issues may hinder the growth of the Romanian economy

Although progress has been made in the field of money laundering via the introduction of laws to implement the provisions of Directive 2015/849/EC of the European Parliament and Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as amended by Directive 2018/843/EC of the European Parliament and of the Council of 30 May 2018, independent analysts and media reports have identified corruption and money laundering as problems in Romania.

The Romanian judicial system has been and is currently undergoing reform. The reforms aim to improve efficiency, transparency, and independence within the judiciary. Recent efforts include the closure of the Cooperation and Verification Mechanism (the "CVM") in September 2023, which marked a significant milestone as Romania met all the benchmarks set by the European Commission. However, challenges remain, such as addressing vacancies in the judiciary and ensuring the independence of judges. The European Commission continues to monitor these aspects to ensure ongoing progress.

In 2023, the Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world and ranked countries from one (least corrupt) to 180 (most corrupt), ranked Romania as being 63rd with a score of 46/100. Although Romania has implemented certain actions to effectively prosecute corruption cases, resulting in several high-profile convictions and several international evaluations have recognised Romania's improved track record in the fight against corruption, instances of corruption in the public and private sectors continue to occur.

Risks Relating to Serbia

The Serbian economy is vulnerable to external shocks that may have a negative effect on the economic growth of Serbia and the Group's business

The Serbian economy is vulnerable to external shocks, and remains potentially exposed to a deterioration in global economic conditions. For instance, any significant decline in the economic growth of Serbia's main trading partners, including the EU member states, or any other deterioration in Serbia's relationships with such trading partners, could have an adverse effect on Serbia's balance of trade and adversely affect Serbia's economic growth. exports are largely directed towards the EU, and are therefore reliant on demand from the countries comprising the EU, which are currently lacking or experiencing slowdown due to reduced overall economic activity. Any further deterioration in Serbia's economy could

have a material adverse effect on Group's business, results of operations and financial condition.

Deterioration in Serbia's relations with its major energy suppliers, restricted energy supplies or increases in the prices of oil or natural gas may have adverse effects on the Serbian economy

Serbia imports a significant portion of its energy requirements. While Serbia has in recent years sought to increase its energy self-sufficiency, in particular through a number of hydropower and renewable projects, it still depends on imports of oil and natural gas primarily from Russia, while electricity is traded with neighbouring countries. Deterioration in bilateral trade relations with Serbia's major energy suppliers or restrictions on, or changes in, supplies of oil, natural gas or electricity to Serbia, or significant increases in prices of oil, natural gas or electricity, could adversely affect Serbia's economy. Any changes in relations with major energy suppliers to Serbia, and in particular any such changes adversely affecting supplies of energy resources to Serbia, may adversely affect the Serbian economy.

Serbia is subject to natural disasters, including droughts and floods, which has negatively affected it in the past and may negatively affect it in the future

Natural disasters, including floods, are a threat to the Serbian economy. As a result, Serbia could increasingly be threatened by climate change. A global increase in the mean temperature is likely to lead to changed precipitation patterns and more frequent extreme weather events, such as prolonged droughts and flooding. Serbia's economy is dependent on a number of climate sensitive sectors, such as agriculture, mining and tourism. A change in climate may have several consequences, including lower agricultural productivity, fragile ecosystems, adverse impact on health and biodiversity, lower GDP and altered migration patterns. Any natural disasters or other effects associated with climate change could have a material adverse effect on the Serbian economy and hence the Group's activities in the country, which could in turn have a material adverse effect on Group's business, results of operations and financial condition.

Corruption and money laundering, as well as Serbia's less developed legal system may adversely affect economic and social conditions in Serbia and have a material adverse effect on the Serbian economy

As in many other emerging market jurisdictions, concerns relating to the level of corruption and money laundering remain a significant issue in Serbia. Fighting corruption and money laundering are key priorities for Serbia, and over the years, the Government has made steady progress in improving accountability, governance standards and the legislative framework in Serbia. In 2023, Serbia ranked 104, with a score of 36/100, in the Transparency International Corruption Perception Index survey covering 180 countries, indicating that a perception of public sector corruption within the country remains widespread.

Serbia has taken, and continues to take, steps aimed at developing a more mature legal system, comparable to the legal systems of EU countries. In recent years, various new laws have been introduced and revisions have been made in order to harmonise domestic legislations with EU laws. However, Serbia's legal system remains in transition and is, therefore, subject to greater risks and uncertainties than a more mature legal system. In particular, the new laws and revisions remain untested in courts and do not have a long history of interpretation and, consequently, may be subject to contradictory, ambiguous or changing interpretations by the Serbian regulatory authorities and judiciary. In some circumstances, therefore, it may not be possible to obtain swift enforcement of a judgment in Serbia or to predict the outcome of legal proceedings subject to these new laws. These and other factors that may impact Serbia's legal system make the Group's operations in the country subject to greater risks and uncertainties if compared to a country with a more developed legal system.

Risks Relating to Cyprus

Insolvency Proceedings

A company may be insolvent under Cyprus law if it is unable to pay its debts and this includes both the balance sheet test and cash flow test. Specifically, a company is deemed unable to pay debts (amongst others):

- (a) if it is proved to the satisfaction of the court that the value of its assets is less than the amount of its liabilities, taking into account contingent and future liabilities.
- (b) if it is proved to the satisfaction of the court that a company is unable to pay its debts at the time they fall due and in deciding whether the company is unable to pay its debts at such time, the court will take into account contingent and future liabilities.

Under Cyprus law, a company may be wound up (a) by the Court, (b) voluntarily (solvent or insolvent proceedings), or (c) subject to the supervision of the court.

The Companies Law, Cap 113 (as amended from time to time) (“**Cypriot Companies Law**”), also allows for a formal court-supervised corporate rehabilitation/recovery process examinership, which is designed to enable potentially viable companies to explore all opportunities to ensure their survival as a going concern.

Examinership

An examiner is appointed (at the application of the company or any creditor or shareholder holding not less than one-tenth of the share capital or any guarantor or all of the aforementioned parties; jointly or separately) to review a company’s affairs, consider its viability for the future and, if feasible, formulate proposals for the company’s financial survival. An examiner can be appointed if the Cypriot courts are satisfied that there is a reasonable prospect of the survival of the company and of the whole or any part of its undertaking as a going concern. If an examiner is appointed, a four-month moratorium against the claims of any secured or unsecured creditor is afforded to the company. This protection period can be extended by the court, if requested, provided that certain conditions are met and that the total duration of the protection period does not exceed 12 months.

The examiner, once appointed, has inter alia, the power to halt, prevent or rectify acts or omissions by or on behalf of the company after his appointment.

The proposals of the examiner require the confirmation of the Cypriot courts (which may sanction, modify or reject the proposals). A court may sanction a proposal involving a scheme of arrangement provided that, amongst other things, a majority of the classes of the affected parties entitled to vote, provided that at least one such class is a class of secured creditors or has priority over a class of unsecured creditors has approved the proposals. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

Insolvency Regulation

Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “**Recast EU Insolvency Regulation**”), which is applicable in Cyprus, provides that the courts of an EU Member State where the “centre of main interests” (“**COMI**”) of the debtor is situated, shall have jurisdiction to open the main insolvency proceedings. The Parent has its registered office in the Republic of Cyprus and therefore the Parent’s COMI is presumed to be the place of its registered office (i.e. the Republic of Cyprus) in the absence of proof to the contrary and provided that the Parent did not move its registered office within the three months prior to a request to open insolvency proceedings. According to the ECJ as to what might constitute “proof to the contrary” it was held that “factors which are both objective and ascertainable by third parties” would be needed to demonstrate that a company’s actual situation is different from that which the location of its registered office is deemed to reflect.

Distribution of assets on winding up

In accordance with the Cypriot Companies Law, assets subject to security fall outside the estate of a company that is available for distribution to ordinary creditors in the event of liquidation.

In the event of a Cyprus company’s insolvency, persons in whose favour the company has pledged or charged its rights, claims or property or any part thereof to secure its debt will be secured creditors of the company and will have priority against unsecured creditors, provided that the relevant pledges/charges have been validly constituted and that the legislative provisions regarding registration of charges that fall within the category of registrable charges under the Cypriot Companies Law have been complied with.

The Cypriot Companies Law contains a category of the following preferential creditors who would have prior ranking over unsecured creditors:

- all local and national taxes that became payable within the preceding twelve months and that were owed by a Cyprus company at the relevant date;
- wages or salary due to persons in the employment of a Cyprus company;

- compensation payable by a Cyprus company to its employees for personal injuries sustained in the course of their employment;
- accrued holiday remuneration becoming payable to the employees of a Cyprus company; and
- expenditures associated with the conduct of the liquidation (bankruptcy) proceedings and expenses of the liquidator.

Further to the settlement by a company of any monies due to preferential unsecured creditors, the remaining assets are distributed *pari passu* to the remaining creditors.

As with most developed insolvency laws, certain transactions may be challenged during a liquidation if they were entered into during specified periods and at a time when the company was insolvent. Specifically, under the Cypriot Companies Law, any conveyance, charge, pledge, mortgage, delivery of goods, payment, execution or other transaction relating to company property made or done by or against a Cyprus company within six months before the commencement of its winding up by a court shall be deemed a fraudulent preference and be invalid, provided that the main purpose of the company was to prefer a particular creditor over other creditors and the transaction was voluntary. The risks of a transaction being invalidated as a fraudulent preference are greater where the transaction is made, without any consideration, or with pressure from the creditor sought to be preferred, or is not commercially beneficial to the company. If the company is being wound up, the liquidator may challenge the payment or other transaction as fraudulent and unenforceable and seek to recover the payment made to the preferred creditor/invalidate the transaction.

Under the Cypriot Companies Law, in a winding up of a company by the court, any disposition of the property of the company, including shares in other companies and things in action made after the commencement of the winding up shall, unless the court otherwise orders, be void. Where a company is being wound up by the court, any attachment, sequestration, distress or execution put in force against the estate or effects of the company, including shares in other companies, after the commencement of the winding up shall be void to all intents. When a winding up order has been made or a provisional liquidator has been appointed in respect of a Cyprus company, no action or proceeding shall be proceeded with or commenced against the company except by leave of the court and subject to such terms as the court may impose.

Validity Issues relating to the Initial Guarantee by the Parent

Under Cyprus law, the following sections of the Cyprus Contract Law CAP 149, may prevail over any provision in a document providing a guarantee, therefore provisions in any such document inconsistent with the below may not be enforceable under Cyprus law:

- Any variance, made without the guarantor's consent, in the terms of the contract between the principal and the creditor, discharges the guarantor as to transactions subsequent to the variance.
- The guarantor is discharged by any contract between the creditor and the principal debtor, by which the principal debtor is released, or by any act or omission of the creditor, the legal consequence of which is the discharge of the principal debtor.
- A contract between the creditor and the principal debtor, by which the creditor makes a composition with, or promises to give time to, or not to sue, the principal debtor, discharges the guarantor, unless the guarantor assents to such contract.
- Where a contract to give time to the principal debtor is made by the creditor with a third person, and not with the principal debtor, the guarantor is not discharged.
- Mere forbearance on the part of the creditor to sue the principal debtor or to enforce any other remedy against him does not, in the absence of any provision in the guarantee to the contrary, discharge the guarantor.
- Where there are co-guarantors, a release by the creditor of one of them does not discharge the others; neither does it free the guarantor so released from his responsibility to the other guarantors.
- If the creditor does any act which is inconsistent with the rights of the guarantor, or omits to do any act which his duty to the guarantor requires him to do, and the eventual remedy of the guarantor himself against the principal debtor is thereby impaired, the guarantor is discharged.

- Where a guaranteed debt has become due, or default of the principal debtor to perform a guaranteed duty has taken place, the guarantor, upon payment or performance of all that he is liable for, is invested with all the rights which the creditor had against the principal debtor.

A guarantor is entitled to the benefit of every security which the creditor has against the principal debtor at the time when the contract of guarantee is entered into, whether the guarantor knows of the existence of such security or not; and, if the creditor loses or, without the consent of the guarantor, parts with such security, the guarantor is discharged to the extent of the value of the security.

The Trust Deed (including the Initial Guarantee of the Parent) may not be admissible before a Cypriot court

The Stamp Duty Law 1963 provides that every document is subject to stamp duty if it relates to any asset situated in the Republic of Cyprus or to matters or things to be done or performed in the Republic of Cyprus irrespective of the place where such document is created. The Trust Deed includes the Initial Guarantee of the Parent, a holding company of the Issuer incorporated in the Republic of Cyprus.

Stamp duty should be paid within 30 days from the execution of the document, unless the document is executed outside the Republic of Cyprus, in which case the payment of stamp duty is deferred until such document is brought into the Republic of Cyprus. On bringing the Trust Deed (including the Initial Guarantee by the Parent) into the Republic of Cyprus, the document is deemed for the purposes of payment of stamp duty to have been executed on receipt of the document in the Republic of Cyprus.

As of the date of this Information Memorandum, stamp duty in respect of the Trust Deed (including the Initial Guarantee by the Parent) has not been paid. The Parent has undertaken to the Joint Bookrunners to pay stamp duty promptly, and in any event within 30 days after the Closing Date. Any failure to pay stamp duty will affect the admissibility of the Trust Deed (including the Initial Guarantee by the Parent) before a Cypriot court, which may prevent Noteholders from recovering in part or in full any amount due from the Parent in connection with the Notes and the Initial Guarantee.

Risks Relating to Ireland

The Issuer is subject to risks relating to the location of its centre of main interest (“COMI”), the appointment of an examiner and the claims of preferred creditors under Irish law.

COMI

The Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “**Recast EU Insolvency Regulation**”), the Issuer’s COMI is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the three months prior to a request to open insolvency proceedings.

As the Issuer’s COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute “proof to the contrary” regarding the location of a company’s COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that “factors which are both objective and ascertainable by third parties” would be needed to demonstrate that a company’s actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a company with its registered office in Ireland does not carry on any business in Ireland that could rebut the presumption that the company’s COMI is in Ireland.

As the Issuer has its registered office in Ireland, its directors are Irish tax resident, it is registered for tax in Ireland and has retained an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the Issuer’s COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

EU Anti-Tax Avoidance Directives – Anti Hybrids and Interest Limitation Rules

As part of its anti-tax avoidance package, and to provide a harmonised implementation of a number of the OECD Base Erosion and Profit Shifting (BEPS) concluding reports across the EU, the EU Council adopted Council Directive (EU)

2016/1164 (the “**ATAD Directive**”) on 12 July 2016. The EU Council adopted Council Directive (EU) 2017/952 (the “**ATAD 2**”) on 29 May 2017, amending the Anti-Tax Avoidance Directive, to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries.

Ireland has fully transposed both the ATAD Directive and ATAD 2 into domestic legislation. There are two measures of relevance.

First, the ATAD Directive provides for an “interest limitation rule” which restricts the deductibility of the entity’s net borrowing costs (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues) to the higher of (a) EUR 3,000,000 or (b) 30 per cent. of its EBITDA. This measure was introduced in Ireland with effect for accounting periods commencing on or after 1 January 2022. These new rules may not impact the Issuer if (i) it does not have excess borrowing costs or (ii) it qualifies as a “single company worldwide group”, as defined in the implementing legislation, and does not make any interest or interest equivalent payments to associated enterprises (within the meaning of the hybrid mismatch rules discussed below).

Where the Issuer meets certain conditions, including not being consolidated with any other entity for accounting purposes, then it may qualify as a ‘single company worldwide group’ which means that provided it does not make any interest or interest equivalent payments to associated enterprises it may use the “equity ratio” rule (as defined in the implementing legislation), such that it should not suffer a restriction. Alternatively, where the Issuer funds interest payments on the Notes from payments it receives on any loans which are interest or “interest equivalent” (as defined in the implementing legislation), then the Issuer should not have any excess borrowing costs and so the rules may have no significant impact of the Issuer.

Secondly, the Irish legislation transposing the Anti-Tax Avoidance Directive (as amended by the Anti-Tax Avoidance Directive 2) provides for hybrid mismatch rules that are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities by denying a deduction for the paying entity. These rules could potentially apply to the Issuer where: (i) the interest that it pays under the Notes, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise, or under a structured arrangement. It is not expected that the Issuer will make any interest or interest equivalent payments to associated enterprises; however if the Issuer does make such a payment to an associated enterprise the measures should not impact the payment on the Notes unless it gives rise to a hybrid mismatch.

For the purposes of the hybrid rules, a structured arrangement is one involving a mismatch outcome where the mismatch outcome is priced into the terms of the arrangement or the arrangement was designed to give rise to a mismatch outcome. Absent any guidance from the Irish Revenue Commissioners on how they will approach structured arrangements in practice, it is not yet clear if this would apply to the transaction to bring it within scope of the hybrid rules.

Examinership

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties. Where a company which has its COMI in Ireland is, or is likely to be, unable to pay its debts, an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014. The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions by or on behalf of the company after his appointment, and, in certain circumstances, a negative pledge given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when (i) a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals, (ii) the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests

would be impaired by implementation of the scheme of arrangement and (iii) the proposals are not unfairly prejudicial to any interested party.

If an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

- the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the Issuer during the period of examinership;
- a scheme of arrangement may be approved involving the writing down of the debt due from the Issuer to the Noteholders irrespective of the Noteholders' views;
- the examiner may set aside the negative pledge in the Notes prohibiting the creation of security or the incurrence of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period;
- in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, both the examiner's and liquidator's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders under the Notes or the transaction documents in connection therewith;
- while a company is under the protection of the relevant Irish court, no action can be taken to enforce guarantees against persons who have guaranteed the debts of the company. Whether this prohibition under Irish law would be effective in the pursuit of a foreign guarantee is a matter of the governing law of the guarantee and/or the guarantor's residence; and
- where a creditor receives notice of a meeting of creditors convened by the examiner to consider and vote on his proposals for a scheme of arrangement and that creditor's debt is guaranteed by a third party, then the creditor must, within very tight deadlines, offer the guarantor the opportunity to attend and vote at the meeting in place of the creditor. If this offer is not made in writing within the statutory time period, the creditor loses its right to pursue the guarantor pursuant to the guarantee.

Preferred creditors

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular under Irish law, the claims of unsecured creditors of the Issuer rank behind other creditors (including fees, costs and expenses of any examiner appointed, certain capital gains tax liabilities and claims of the Irish Revenue Commissioners for certain unpaid taxes).

Risks Relating to the Notes, the Guarantees, the Security and the Trading Market

Not all of the Parent's subsidiaries will guarantee the Notes, and the Notes and Guarantees will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes

Only the Guarantors will provide the Guarantees for the benefit of the Noteholders on the Closing Date. Other subsidiaries of the Parent may guarantee the Notes in the future, but until then, any claim by the Parent or any of the Group's creditors, including the Noteholders, against any such non-guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of such subsidiaries. The Group's non-Guarantor subsidiaries, on a consolidated basis, collectively generated approximately 22.4 per cent. of the Group's EBITDA for the year ended 30 June 2024, and collectively held, on a consolidated basis, approximately 14.3 per cent. of the Group's consolidated total assets as of 30 June 2024. In the event of insolvency, liquidation or other reorganisation of any of these non-Guarantor subsidiaries, creditors of such non-Guarantor subsidiaries will generally be entitled to payment in full from their respective assets before the Parent or any of the other Guarantors is entitled to receive any distribution from such assets as equity holders.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes and, in particular, the information contained or incorporated by reference in this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, the merit and risks of an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic considerations, interest rate volatility and other factors that may affect its investment and its ability to bear the applicable risks.

There is no public market for the Notes

There is no existing market for the Notes, and there can be no assurance regarding the future development of a market for the Notes. Application has been made for admission to trading of the Notes on the Vienna MTF. However, an active trading market in the Notes may not develop or be maintained after listing. No assurance can be made as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell the Notes or the price at which Noteholders may be able to sell the Notes. The liquidity of any market for the Notes will depend on the number of Noteholders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Group's financial condition, performance and prospects, as well as recommendations of securities analysts. Disruptions in the global capital markets may lead to reduced liquidity, increased credit risk premiums and a reduction in investment in securities. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes.

The trading price of the Notes may be volatile

The trading price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of the Group's competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the credit rating of the Group. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that cause substantial volatility in the prices of such securities. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the trading price of the Notes without regard to the Group's operating results, financial condition, prospects or credit rating.

Financial turmoil in emerging markets could cause the prices of the Notes to decline

The market price of the Notes is influenced by economic and market conditions in Moldova and, to a varying degree, economic and market conditions in other eastern European countries and emerging markets generally. In recent years and in the past the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's operating results, financial condition or prospects or the credit rating of the Notes. In recent periods, many global securities markets have experienced extreme price and volume fluctuations, particularly those in developing economies. Continuation or intensification of financial or economic turmoil could materially adversely affect the market price of the Notes.

The Notes may or must be redeemed prior to maturity for certain reasons

On the occurrence of one of the early redemption events described in Condition 5 (*Redemption and Purchase*), the Issuer may, or in some cases must, redeem the Notes in whole or in part together with accrued and unpaid interest at any time, and the Issuer shall redeem all outstanding Notes in accordance with the Conditions. On such redemption, or at maturity, the Issuer may not have the funds to fulfil its obligations under the Notes and it may not be able to arrange for additional financing. If the early repayment or maturity date of the Notes occurs at a time when other arrangements prohibit the Issuer from redeeming the Notes, it could try to obtain waivers of such prohibitions from the lenders under those arrangements, or attempt to refinance the borrowings that contain the restrictions. If the Issuer could not obtain the waivers or refinance these borrowings, it would be unable to redeem the Notes.

The Issuer may not be able to finance a change of control offer required by the Conditions of the Notes

Upon the occurrence of a Change of Control (as defined in Condition 5.4 (*Redemption at the Option of the Holders Upon a Change of Control*)), the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to the principal amount of the Notes plus accrued and unpaid interest and Additional Amounts, if any, to the date of the repurchase. If any such Change of Control were to occur, there can be no assurance that the Issuer would have sufficient funds available at the time to pay such purchase price. The Change of Control may also cause the acceleration of other indebtedness that may be senior to the Notes or rank equally with the Notes. In any case, the Issuer expects that it would require third-party financing to fund a Change of Control Offer. There can be no assurance that the Issuer would be able to obtain this financing. See Condition 5.4 (*Redemption at the Option of the Holders upon a Change of Control*).

Redemption prior to maturity for tax reasons

The Issuer may redeem all outstanding Notes in accordance with the Conditions in the event that (i) the Issuer or the Guarantors have been or would be obliged to increase the amounts payable in respect of the Notes due to any changes in or amendments to the laws or regulations of Moldova, Cyprus, Ireland, Switzerland, Ukraine or any other taxing jurisdiction to which the Issuer or one or more of the Guarantors are subject or of any political subdivision or authority therein or thereof having the power to tax (or any changes in or amendments to the application or official interpretation of such laws or regulations); and (ii) such obligation cannot be avoided by the Issuer and/or the relevant Guarantors taking reasonable measures available to them.

On any such redemption for tax reasons, Noteholders would receive the principal amount of the Notes that they hold, together with interest accrued on those Notes up to (but excluding) the date fixed for redemption. If the Issuer were to redeem the Notes early, it might not be possible for Noteholders to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes. See Condition 5.5 (*Redemption for Taxation Reasons*).

Modification, waivers and substitution

Subject as provided in the Trust Deed, the Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of certain provisions of the Notes, Trust Deed or the Contracts, as defined under “*Terms and Conditions of the Notes*,” which in the opinion of the Trustee is of a formal, minor or technical nature and is made to correct a manifest error or to comply with mandatory provisions of law, (ii) any other modification thereof (subject as provided in the Trust Deed) or any waiver or authorisation of any breach or proposed breach thereof which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders.

The Issuer’s ability to fulfil its obligations under the Notes is dependent on the Group

The Issuer is a wholly owned subsidiary of the Parent and the Group will use the net proceeds from the issuance of the Notes to refinance existing indebtedness of the Parent and its subsidiaries as well as for funding the Group’s operations in the ordinary course of business in place of trade financing and in accordance with its strategy (see “*Business—Strategy*”) (including potential acquisitions). The Issuer will have insufficient net assets, other than amounts due to it from other members of the Group in respect of any intra-Group loans, to meet its obligations to pay interest and other amounts payable in respect of the Notes. The Issuer would, therefore, in the absence of other funding sources, have to rely on other members of the Group providing sufficient funds to meet such obligations.

In addition, the other members of the Group are separate and distinct legal entities and have no obligation, other than the Guarantors in relation to the Guarantees, contingent or otherwise, to pay any amounts due pursuant to the Notes or to make any funds available for these purposes, whether by dividends, loans, distributions or other payments, and do not, apart from the Guarantors, guarantee the payment of interest on, or principal of, the Notes.

Under Moldovan law, a company is not allowed to pay dividends or make other distributions unless current or retained profits are available to cover such distributions. Also, a company cannot resolve on distribution of the net profit (i) before the shareholders’ contributions are fully paid-in, or (ii) if, as the effect of the distribution, the net assets fall lower than the share capital and statutory reserves. Further, the company shall not pay the dividends, even if resolved to be paid, if, upon the day of payment, the company is or can become insolvent, as the effect of such payment.

In addition, joint stock companies cannot resolve on paying dividends (i) before redemption of the shares which are subject to redemption, (ii) if, upon the date of resolving on the dividend payment, the company is insolvent or the dividend payment will lead to its insolvency, (iii) on the common shares, if the dividend payment for preferred shares was not resolved, or (iv) on any shares, if the accrued interest on bonds issued was not paid. See also “—*Moldovan currency control regulations may restrict the Moldovan Guarantors’ ability to make payments under the Moldovan Guarantees and the Security Trustee’s ability to repatriate proceeds of enforcement of the Security from Moldova*” and “*Business – Regulatory Compliance — NBM Authorisation*”.

The Moldovan Guarantees or the Moldovan Security may be held void for lack of due consideration

Under Moldovan law, there is a remote risk that any Guarantee given by a Moldovan Guarantor or the Moldovan Security may be held null and void on the grounds that it infringes the best interests and is not for the corporate benefit of such Moldovan Guarantor or Moldovan Pledgor. The action in nullity may be brought in the Moldovan court by any aggrieved party (including a minority shareholder of the Guarantor) within a ten-year statutory limitation period.

In addition, in the event of insolvency of a Moldovan Guarantor, the insolvency administrator or liquidator shall be entitled to seek annulment of, *inter alia*:

- any legal act of the debtor within the past two years preceding the filing of the insolvency petition, entered into with the intention of preventing, delaying or complicating the possibility of repaying the creditors’ claims, and which have affected creditors’ rights;
- any transaction entered into by the debtor within the past two years preceding the filing of the insolvency petition, where the performance made by the debtor is manifestly higher than the performance received by the debtor;
- the gratuitous grant of a pledge or mortgage, of any other guarantee for an unsecured claim within six months immediately preceding the filing of the insolvency petition or annulment of a claim of a shareholder of the debtor within the same period, if such claims had not reached maturity prior to the commencement of the insolvency proceedings; and
- any transfers of goods from the debtor to a creditor, made in the last 6 months preceding the filing of the insolvency petition, which had the effect of increasing the amount that the creditor would receive in case of liquidation of the debtor.

A Moldovan insolvency court would be entitled, if requested to do so by the insolvency administrator or liquidator, to annul a Guarantee granted by a Moldovan Guarantor or the Moldovan Security if it finds that the giving of such Guarantee or granting of the Moldovan Security falls under the grounds set out in insolvency laws.

In the event that a Guarantee given by a Moldovan Guarantor or the Moldovan Security is invalidated, an affected creditor would be under an obligation to return to the liquidation estate the assets it received from a Moldovan Guarantor or a Moldovan Pledgor or, if such assets are unavailable, to fully reimburse the market value of any such asset. The creditors would then be entitled to request in good faith compensation of damages suffered following the annulment of the Moldovan Guarantees or the Moldovan Security.

Insolvency laws of Moldova may not be as favourable as the bankruptcy laws of other jurisdictions with which the Noteholders are familiar

The following unsecured claims would enjoy higher rank of priority by operation of Moldovan law: (i) insolvency proceedings expenses and obligations of the insolvency estate, (ii) certain claims for health damages and death; (iii) claims for employees’ wages and copyright remuneration, (iv) certain claims for loans offered by the Moldovan Ministry of Finance, internal and external loans under state guarantees, taxes and other state budgetary claims, and (v) claims for the repayment of debt toward Moldovan state material reserves. Any residual claims of secured creditors that remain unsatisfied after the sale of the collateral rank *pari passu* with the Moldovan Guarantor’s obligations under the relevant transaction documents.

In addition, after any insolvency proceeding is commenced, the insolvency court would also impose a moratorium of up to 180 days on the satisfaction of secured claims of creditors. A similar permanent moratorium would be imposed *ex legem* on the satisfaction of unsecured claims of creditors. During the term of such moratorium, the relevant Moldovan Pledgor or Moldovan Guarantor would not be able to make payments to the Trustee or the Security Trustee and the Trustee’s or

Security Trustee's claims against such Moldovan Guarantor or Moldovan Pledgor would not be enforceable in Moldova except as permitted as part of the insolvency proceedings. As a general rule, claims against a Moldovan Pledgor or Moldovan Guarantor undergoing insolvency proceedings may not be brought directly by the Trustee or the Security Trustee. Such claims would have to be submitted to and approved by the insolvency administrator or liquidator appointed by the relevant insolvency court.

Moldovan currency control regulations may restrict the Moldovan Guarantors' ability to make payments under the Moldovan Guarantees and the Security Trustee's ability to repatriate proceeds of enforcement of the Security from Moldova

The NBM is empowered to establish policies for and to regulate currency operations in Moldova and has the power to establish restrictions on currency operations and repatriation. Moldova currency control and practice are subject to continuing change, with the NBM exercising considerable autonomy in interpretation and practice.

As a contingency measure aimed at the stabilisation of the Moldovan financial system, the NBM is empowered to temporarily suspend or limit outbound payments by Moldovan banks and payment service providers for a period of up to six months. Should such a temporary ban be introduced and in effect at the time when a payment under the Moldovan Guarantee and/or following enforcement of the Moldovan Security is required to be made, a Moldovan Guarantor or the Security Trustee will be restricted from making such payment via a Moldovan bank or payment service provider.

Furthermore, while intragroup transfers, upstream payments of dividends and other intragroup cash management operations in the ordinary course of business of the Group do not require an NBM authorisation ("**NBM Authorisation**"), cross-border payments under any guarantee or following enforcement of any security granted by a Moldovan resident to a non-resident are prohibited and would not be processed by Moldovan banks or payment service providers, unless such guarantee or security received an NBM Authorisation. Whilst the Moldovan Guarantors have filed for an NBM Authorisation, no NBM Authorisation has been obtained in respect of the Moldovan Guarantees or the Moldovan Security as at the date of this Information Memorandum. Although the NBM Authorisation is expected to be obtained before the Closing Date, should the Moldovan Guarantors and/or the Moldovan Pledgors fail to obtain the NBM Authorisation prior to the time at which the Moldovan Guarantees and/or the Moldovan Security are enforced, the Moldovan Guarantors and/or the Security Trustee will be prohibited from making payments under the Moldovan Guarantees and/or repatriating proceeds of enforcement of the Security from Moldova.

Substantial indebtedness and obligations under certain debt facilities may adversely affect the Group's cash flow and impair its ability to expand or finance its future operations

The Parent and its subsidiaries have and will continue to have a substantial amount of outstanding indebtedness and obligations with respect to the servicing of such indebtedness. As at 30 June 2024, the Group's total borrowings and bonds issued stood at U.S.\$872,779 thousand while the Group's Net Debt stood at U.S.\$738,576 thousand. While the majority of this indebtedness is of a self-liquidating type (*i.e.*, repaid out of the proceeds from the sale of commodities acquired with the funds obtained under the relevant trade credit facilities), which were purchased through loans), the substantial indebtedness could have significant adverse consequences for the Group's business, including:

- requiring the Group's substantial portion of cash flow to liquidate this indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, new acquisitions and other general corporate purposes;
- increasing the vulnerability of the Group to general adverse economic and industry conditions;
- limiting the flexibility of the Group in planning for, or reacting to, changes in its business and industries in which it operates;
- limiting the ability of the Group to make acquisitions or take other corporate actions; and
- limiting the ability of the Group to borrow additional funds and increasing the cost of any such borrowings, particularly because of the financial and other restrictive covenants contained in the Conditions of the Notes.

In addition, to the extent that the Group's debt obligations are based on fixed interest rates (such as the Notes), its ability to service these debt obligations could be adversely affected by deflationary periods in which prices for its products may decline, resulting in reduced cash inflows.

In addition, some of the Group's debt instruments, including the Notes, contain covenants that impose on the Group significant financial and operating restrictions, as well as other requirements. For example, these covenants restrict the ability of the Parent or its subsidiaries to, among other things, incur additional debt; create certain security interests over certain of its assets; transfer or sell assets; engage in sale and leaseback transactions; merge or consolidate with other entities; or make investments or acquisitions. Compliance with these covenants could materially and adversely affect the Group's ability to finance its future operations and expansion opportunities or capital needs or to engage in other business activities that may be in the best interests of the Group.

In addition, potential or alleged breaches of any terms of certain of the Group's debt instruments could cause a default under the terms of such Group's indebtedness, causing some or all of the Group's indebtedness to become due and payable which may, in turn, upon certain conditions, trigger cross-default in other debt instruments. Such default could result in the Group's creditors proceeding against the collateral securing such indebtedness. Such action could materially adversely affect the Group's business, results of operations or financial condition. Further, if the Group's indebtedness were to be accelerated, it is uncertain whether the Group's assets would be sufficient to generate the funds necessary to repay it.

The value of the Secured Property may not be sufficient to satisfy the obligations under the Notes and the Guarantees

If there is an Event of Default under the Notes, the Noteholders will be secured only by the Security which will consist of the Moldovan law pledges and mortgages over substantially all of the movable and immovable assets of the Moldovan Pledgors (together, the "**Moldovan Security**"), the Ukrainian law pledges over substantially all of the movable assets (excluding Commodities) of the Initial Ukrainian Guarantor (the "**Ukrainian Pledges**") and Ukrainian law mortgage over substantially all of the immovable assets of the Initial Ukrainian Guarantor (the "**Ukrainian Mortgage**" and, together with the Ukrainian Pledges, the "**Ukrainian Security**"). There is no guarantee that the value of the Secured Property (as defined in the Conditions) will be sufficient to enable the Issuer and the Guarantors to satisfy their obligations under the Notes and the Guarantees. The proceeds of enforcement of the Secured Property following an Event of Default under the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due under the Notes and the Guarantees. To the extent that the claims of the Noteholders and the other Secured Creditors exceed the value of the Security securing the Notes and the Guarantees, those claims will be subordinated to the claims of the holders of all other existing and future secured indebtedness of the Issuer and the Guarantors.

As of 8 November 2024, the market value of the Secured Property was approximately U.S.\$214,727 thousand and as such is less than the principal amount of the Notes upon issue. While under applicable laws, the Pledgors are under an obligation to not diminish the value of the Security, there are no requirements under the Conditions that during the life of the Notes the Issuer and the Pledgors maintain a minimum ratio between the value of the Secured Property and the principal amount of the Notes. The book value of the Secured Property should not, however, be relied as a measure of realisable value for such assets. Generally, in the case of a decrease in value of the pledged assets, the creditors of the Moldovan Pledgors can claim either compensation of damages or accelerated performance of the Secured Liabilities. However, the fair market value of the Secured Property may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions, costs of enforcement and similar factors. The amounts to be received upon the enforcement of the Security will generally depend upon many factors, including, among others, the ability to sell the Secured Property in an orderly sale, the condition of the Ukrainian and Moldovan economies, the availability of buyers, the ability to readily liquidate the Secured Property and the fair market value and condition of the Secured Property. By its nature, some or all of the Secured Property may not have a readily ascertainable market value and no assurance can be given that there will be a market for the sale of the Secured Property, or, if such a market exists, that there will not be a substantial delay in such sale.

The ongoing Russian military aggression against Ukraine significantly increases the risks related to the Ukrainian Security. Accordingly, there can be no assurance that the Secured Property which is located in Ukraine and is subject to the Ukrainian Security will not be destroyed or damaged as a result of a military action, or that its value, liquidity or marketability will not be diminished, or that it will be feasible to enforce against it, to sell it or otherwise to realize its value, or to obtain and repatriate from Ukraine proceeds of such enforcement or sale until the war in Ukraine and its consequences persist.

If the proceeds of realisation of the Secured Property are not sufficient to repay all amounts due under the Notes and the Guarantees, the Noteholders would have only an unsecured claim against the Pledgors' remaining assets.

It may be difficult to realise the value of the Secured Property

The Secured Property will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Conditions and / or the Trust Deed. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Secured Property, as well as the ability of the Security Trustee to realise or foreclose on such Secured Property. Furthermore, the first priority ranking of the Security after the Security Conversion can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or characterisation under the laws of certain jurisdictions. The Secured Property is located in Moldova and Ukraine, and the multi-jurisdictional nature of any enforcement of the Security may limit the realisable value of the Secured Property. For example, the bankruptcy, insolvency, administrative and other laws of Moldova and Ukraine may be materially different from, or conflict with, each other, including in the areas of rights or creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of proceedings. In Ukraine, regulatory restrictions related to the ongoing war and its consequences may further adversely affect the ability to realise the value of the Secured Property which is subject to the Ukrainian Security.

In addition, the business of the Group requires a variety of national, state and local permits and licences. The continued operation of assets that comprise the Secured Property in Moldova and Ukraine and which depend on the maintenance of such permits and licences may be prohibited. In the event of foreclosure on the Secured Property, the transfer of such permits and licences may be prohibited or may require significant time, cost and expense. Further, no assurance can be given that the applicable governmental authorities will consent to the transfer of all such permits. In addition, if the Security Trustee forecloses on the Secured Property, the maintenance and/or operation of such Secured Property may require compliance with the applicable regulations, permits, safety and other requirements. If the Security Trustee fails to ensure such compliance or if the regulatory approvals required for the transfers of such permits are not obtained, the realisation of the Secured Property may be delayed, a temporary shutdown of operations of the Group may occur and the value of the Secured Property may be significantly decreased. Each of these factors could reduce the proceeds realised upon enforcement of the Security. Accordingly, there can be no assurance that the proceeds from realisation of the Secured Property, if successful, will be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Guarantees.

Enforcement of the Ukrainian Security may be subject to legal and practical limitations

Enforcement of the Ukrainian Security may be subject to legal and practical difficulties and limitations generally associated with enforcement of security interests in Ukraine, including the following:

- There is no established court practice in Ukraine in respect of a parallel debt structure, and therefore it is uncertain whether it will be recognized by a particular Ukrainian court should it review a particular dispute involving this issue. See “—*The Security over the Secured Property will be granted to the Security Trustee rather than directly to Noteholders. A parallel debt structure has not been properly tested in the Ukrainian and Moldovan Courts*”;
- if the Initial Ukrainian Guarantor refuses to cooperate with the Security Trustee in implementing an extra-judicial enforcement of the Ukrainian Security, such extra-judicial enforcement may not be available and the Security Trustee would need to resort to a judicial enforcement, which may delay the enforcement of the Ukrainian Security; and
- the Initial Ukrainian Guarantor's obligations under the Ukrainian Security are ancillary undertakings in relation to the underlying Secured Liabilities (as defined in the Conditions) and will be deemed invalid, unenforceable, ineffective or terminated to the extent that the Secured Liabilities are found invalid, unenforceable or ineffective by a competent court or other dispute resolution forum or are terminated for whatever reason.

Each of these factors could reduce the proceeds realised upon enforcement of the Ukrainian Security.

Enforcement of the Ukrainian Mortgage may require a prior approval of the Antimonopoly Committee of Ukraine

Under Ukrainian competition laws, an acquisition of assets in the form of a “unified property complex” may require a prior approval of the Antimonopoly Committee of Ukraine (the “**AMC Approval**”) in certain circumstances. When taking a decision on the necessity of the AMC Approval, the Antimonopoly Committee of Ukraine considers whether the assets to be acquired as a “unified property complex” would enable the acquirer to conduct business independently with the use of such assets only (as in a complete production cycle). Given that the Ukrainian Mortgage covers substantially all of the immovable assets of the Initial Ukrainian Guarantor, such assets may be viewed by the Antimonopoly Committee of Ukraine as forming a “unified property complex” of the Initial Ukrainian Guarantor. Consequently, any foreclosure or sale of the property subject to the Ukrainian Mortgage in the course of enforcement of the Ukrainian Mortgage may require

the AMC Approval. No assurance can be given that the AMC Approval will be obtained in a timely manner or at all. Any delay in or failure to obtain the AMC Approval could reduce the proceeds realised upon enforcement of the Ukrainian Mortgage.

Enforcement of the Moldovan Security may be subject to legal and practical limitations

The enforcement of the Moldovan Security may be subject to legal and practical difficulties and limitations generally associated with enforcement of security interests in Moldova. For instance, the sale of any assets subject to the Moldovan Security by the Security Trustee may be delayed or made impossible if a Moldovan Pledgor refuses to follow in a timely manner or at all the Security Trustee's instructions to make the relevant assets available for sale. In addition, if a Moldovan Pledgor refuses to cooperate with the Security Trustee to ensure an extrajudicial enforcement of the Moldovan Security, the Security Trustee will have to apply to a private bailiff or to a Moldovan court for enforcement which may, in turn, delay the enforcement of the Moldovan Security. In addition, it is uncertain whether Moldovan courts will recognise the "parallel debt" structure created under the Trust Deed. See "*—The Security over the Secured Property will be granted to the Security Trustee rather than directly to Noteholders. A parallel debt structure has not been properly tested in the Ukrainian and Moldovan Courts*".

Each of these factors could reduce the proceeds realised upon enforcement of the Moldovan Security.

The Moldovan Security may be terminated without the consent of the Security Trustee

Under Moldovan law, the Moldovan Security may be deemed terminated *ex legem* without the consent of the Security Trustee, in particular, if (i) the Secured Liabilities are deemed invalid, void or unenforceable under English law or (ii) if the assets subject to the Moldovan Security are lost, destroyed or expropriated. In the latter case, the creditors shall have the right to seek either compensation of damages or accelerated performance of the Secured Liabilities.

The Security over the Secured Property will be granted to the Security Trustee rather than directly to Noteholders. A parallel debt structure has not been properly tested in Ukrainian and Moldovan Courts

Under Ukrainian and Moldovan law, security interests can be granted only to a creditor of the claim purported to be secured by such security interests. As the concept of a "trust" is not recognised under Moldovan and Ukrainian laws, it is not clear whether the Trustee or the Security Trustee would be recognised as a creditor in respect of the Notes and the Guarantees and as such there is a risk that security interests created in favour of the Trustee and/or the Security Trustee for the benefit of Noteholders will not be deemed to be validly created and therefore will not be recognised and enforced in the courts of Moldova and Ukraine. For that reason, the Trust Deed also provides for the creation of a "parallel debt" structure, whereby each of the Issuer and the Guarantors irrevocably and unconditionally undertakes to pay to the Security Trustee amounts equal to any amounts owing from time to time by it to the Noteholders in case the Security Trustee would otherwise not be considered as a creditor on account of the trust created under the Trust Deed.

The intention of the "parallel debt" structure is to create a separate and independent claim of the Security Trustee against the Issuer and the Guarantors which can be secured by Security over the Secured Property pursuant to which the Security Trustee will act as creditor in its own name and not as representative of Noteholders. However, although used in the past, the "parallel debt" structure has not been tested in the Ukrainian or Moldovan courts and therefore no assurance can be given that it will mitigate or eliminate any risk of unenforceability of the Security under Ukrainian or Moldovan law. To the extent the Security over the Secured Property created under the "parallel debt" structure is not validly granted, is unenforceable or is successfully challenged by other parties, the Noteholders will not receive any proceeds from an enforcement of the Security over the Secured Property.

In addition, none of the Noteholders or the Trustee will be able to enforce the Security except through the Security Trustee. Therefore, the Noteholders will bear the risk of insolvency or bankruptcy of the Security Trustee.

As at the Closing Date, the Group will have indebtedness that is senior to the Notes and the Guarantees

Prior to completion of the Security Conversion, the Security granted by the Moldovan Pledgors will rank second in priority to existing security interests and liens securing the Group's indebtedness and as a result such indebtedness will be effectively senior to the Issuer's and the Guarantors' obligations under the Notes and the Guarantees. If the Issuer defaults under the Notes prior to completion of the Security Conversion, and this default triggers an event of default under any of such indebtedness, holders of such indebtedness will have priority over the Noteholders to the extent of the Secured Property of the Moldovan Pledgors.

Each Pledgor has undertaken in the Conditions to complete the Security Conversion before the date falling 30 days after the Closing Date (the “**Conversion Deadline**”). A failure to complete the Security Conversion by the Conversion Deadline will not trigger an Event of Default under the Notes. If the Security Conversion is not completed by the Conversion Deadline, the holder of each Note will have the option to require the Issuer to redeem that Note at its principal amount together with interest accrued to (but excluding) the date of redemption, as more specifically described in Condition 5.6 (*Redemption at the Option of Noteholders upon a Put Event*).

Until the redemption of the 2026 Notes, the Moldovan courts may refuse to give effect to the provisions of the Moldovan Security Documents creating a second ranking security interest

In 2024, the Group issued the 2026 Notes.

On 28 October 2024, pursuant to the Tender Offer and Consent Solicitation Memorandum, the Issuer invited holders of the 2026 Notes to: (i) tender any or all of the 2026 Notes held by them for purchase by the Issuer for cash; and (ii) concurrently consent to amend by extraordinary resolution the terms and conditions of the 2026 Notes to provide for the Mandatory Early Redemption, all on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum.

Since the Notes are to be secured with the same Secured Property as the 2026 Notes were, and because under Moldovan law a second-ranking security interest over the same assets may be created to secure the performance of a certain obligation in the favour of another creditor, until the redemption of the 2026 Notes, there may be a theoretical (and thus remote) risk that the Moldovan courts may refuse to give effect to the provisions of the Moldovan Security Documents establishing a second ranking security interest. Given though that, as a matter of English law, the existing first-ranking security interest is held by the Security Trustee for the benefit of holders of the 2026 Notes, this should mitigate the above-mentioned risk of not having a different creditor.

Issue of Additional Notes may dilute the rights of holders of the Notes to the Secured Property

The Conditions permit the Issuer, without the consent of Noteholders, to issue Additional Notes (as defined in the Conditions) having the same terms and conditions as the Notes in all respects without any requirement on the Issuer and/or Pledgors to provide further secured assets in respect of such Additional Notes. The Additional Notes and the Guarantees in respect thereof will have the benefit of the Security. The rights of holders of the Notes to the Secured Property may therefore be diluted by the aggregate principal amount of the Additional Notes.

Guarantees issued by Swiss Guarantors are subject to restrictions imposed by Swiss corporate law

The Trust Deed contains language limiting the guarantee made thereunder by any Guarantor incorporated in Switzerland in a manner that is intended to minimize the risk of breaching applicable Swiss law restrictions. The ability of each of TOI Commodities SA, Visions Holding SA and any Additional Swiss Guarantor to assume obligations of its direct and indirect parent company or a sister company is restricted under Swiss law insofar as such obligations must be within the corporate purposes and interests of the relevant Swiss Guarantor and must not result in a repayment of the legally protected reserves (*gesetzlich geschützte Reserven*) or other non-permitted distribution of assets to shareholders, board members or other persons close to the relevant Swiss Guarantor.

In light of the foregoing, it is standard market practice to limit, to the extent required by Swiss law at the time of enforcement, the amount of claims under, or proceeds from enforcement that can be applied to the satisfaction of any claim secured by or any such obligations assumed by a Swiss Guarantor to such Swiss Guarantor’s freely distributable equity at the time of enforcement. The freely distributable equity is equal to the maximum amount which the relevant Swiss Guarantor can distribute to its shareholders as a dividend payment under Swiss law at that point in time. If a court decided either that the Guarantees were a fraudulent transfer and therefore void, or held them unenforceable for any other reason, the Noteholders may cease to have any claim in respect of TOI Commodities SA, Visions Holding SA and/or any Additional Swiss Guarantor.

Payments by a Swiss Guarantor with respect to the guarantee issued under the Trust Deed may be qualified as (constructive) dividend payments which would attract 35 per cent. Swiss withholding tax. See also “—*Moldovan currency control regulations may restrict the Moldovan Guarantors’ ability to make payments under the Moldovan Guarantees and the Security Trustee’s ability to repatriate proceeds of enforcement of the Security from Moldova*” and “*Business — Regulatory Compliance — NBM Authorisation*”.

Ukrainian martial law currency control restrictions may impact the ability of the Ukrainian Guarantors to make payments under the Suretyships and the Security Trustee's ability to repatriate proceeds of enforcement of the Ukrainian Security from Ukraine

Following the Russian full-scale invasion of Ukraine and the enactment of martial law on 24 February 2022, Ukrainian financial and capital markets have been operating under a highly restrictive regime, imposed by the NBU among other Ukrainian authorities. Under the current foreign exchange rules and restrictions, primarily set forth in NBU Resolution No. 18 dated 24 February 2024 (“**NBU Resolution 18**”), the purchase of foreign currency and its transfer abroad are only permitted in cases defined by NBU Resolution 18. Any transactions not expressly authorized by NBU Resolution 18 are prohibited during the martial law period or until such restrictions are lifted by the NBU. These foreign exchange restrictions apply to all cross-border payments originating from Ukraine, even those that may otherwise benefit from certain foreign exchange relaxations under separate laws of Ukraine, as the NBU has the authority, under the Law of Ukraine “On the National Bank of Ukraine”, to establish foreign exchange limitations during martial law.

According to NBU Resolution 18, payments related to trade export and import transactions are subject to specific restrictions. Most export/import transactions are governed by a mandatory 180-day settlement rule, which requires Ukrainian businesses selling goods abroad to receive payment in foreign currency to their Ukrainian bank accounts no later than 180 calendar days after the goods have been exported. Similarly, Ukrainian companies importing goods must ensure that goods are delivered to Ukraine within 180 days after a prepayment for such goods is made. The mandatory settlement period for the export of certain agricultural products (including wheat, barley, oats, corn, soybeans, sunflower seeds, and various types of oil) is shorter, and is set at 120 calendar days. Set-off under trade export-import transactions is also restricted, as the NBU monitors the correlation between foreign currency flows into and out of Ukraine, and between the corresponding volumes of goods exported and imported.

Since May 2024, Ukrainian businesses are permitted to purchase and transfer foreign currency abroad for payments related to any goods, services, works and intellectual property (“**IP**”) rights, provided these were rendered or delivered to Ukraine after 23 February 2021. These payments are subject to standard transaction checks and know-your-customer (“**KYC**”) procedures of Ukrainian banks.

Furthermore, since 13 May 2024, Ukrainian companies are permitted to convert UAH dividends into foreign currency and repatriate them to foreign investors, but only if such dividends are distributed from the profits earned in calendar year 2024. The repatriation of these dividends is capped at EUR 1 million per calendar month. Repatriation of dividends from retained earnings of previous financial periods (prior to 2024) or reserve capital remains prohibited. Furthermore, only the Ukrainian company that pays the dividends is allowed to convert the respective UAH amounts and repatriate them to foreign investors; foreign investors themselves are not permitted to perform such conversions.

For local payments within Ukraine in UAH, no significant restrictions apply. Both local and foreign entities (such as the Security Trustee) can open UAH accounts with Ukrainian banks and can make or receive local payments in UAH to or from Ukrainian counterparties (such as the Ukrainian Guarantors). However, once received in a local UAH account, the funds of foreign entities (such as the Security Trustee) will still be subject to all applicable foreign exchange restrictions, including restrictions on foreign currency conversion and cross-border transfers.

The conversion of UAH into foreign currency and its transfer abroad under cross-border loans from foreign (non-Ukrainian) creditors is also subject to several conditions and is only allowed if the principal amount of the loan is received in the borrower's account in Ukraine.

Currently, NBU Resolution 18 does not list as permissible guarantee or surety payments from Ukraine abroad under debt obligations of foreign (non-Ukrainian) debtors, such as the Issuer and/or Non-Ukrainian Guarantors under the Trust Deed and the Notes. For this reason and until such restriction exists, the Ukrainian Guarantors will not be permitted to make any payments from Ukraine abroad, to the Security Trustee or otherwise, under the Trust Deed and the Notes, and will not be permitted to convert any UAH funds into foreign currency for the purpose of such payments. However, the Security Trustee will be permitted to receive such surety/guarantee payments in UAH to its UAH Ukrainian bank account (provided it is open at the relevant time).

Similar to the above, NBU Resolution 18 does not list as permissible repatriation from Ukraine abroad of proceeds originating from enforcement of pledges or mortgages in Ukraine. Therefore, until such restriction is in effect, the Security Trustee will not be able to repatriate proceeds of enforcement of the Ukrainian Security from Ukraine. However, the Security Trustee will be permitted to receive such proceeds in UAH in its UAH Ukrainian bank account (provided it is

open at the relevant time).

Notwithstanding the above, NBU Resolution 18 provides for a possibility of making restricted payments on an ad-hoc basis, subject to obtaining a special NBU permit authorising an individual cross-border transaction. In order to issue such a permit, the NBU would have to receive a request from the Cabinet of Ministers stating the reasons for making such a payment and justifying its importance for Ukraine's economy during the wartime. Although the possibility of issuing such special permits has been in place in NBU Resolution 18 since early 2022, available public information indicates that the NBU generally issues such permits for transactions involving state-owned or state-affiliated entities, and there can be no assurance that such a permit could be granted in any other circumstances.

Additionally, if a Ukrainian or foreign court decision, or a foreign arbitral award enforced in Ukraine, orders any of the Ukrainian Guarantors to make a guarantee/surety payment under the Trust Deed and/or the Notes, a Ukrainian bank would be unlikely to allow and process such a payment, as it is not listed as permissible under NBU Resolution 18.

There can be no assurance that no further FX restrictions will be introduced in Ukraine while the war and its consequences continue. Such FX restrictions may further limit the ability of the Ukrainian Guarantors to perform their obligations under the Trust Deed, the Notes and the Ukrainian Security.

Enforcement of the Ukrainian Pledges may be partially jeopardised by the mobilization restrictions

The property subject to the Ukrainian Pledges includes vehicles. The Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine Concerning Certain Issues of Military Service, Mobilisation and Military Accounting” (the “**Mobilisation Law**”) provides, among other things, for designation of certain vehicles for the needs of the Armed Forces of Ukraine and other military formations in Ukraine. The Mobilisation Law prohibits the transfer of ownership, leasing as well as granting security over, the vehicles designated to meet the needs of the Armed Forces and other military formations of Ukraine and registered for military use, as well as any other actions that impede transfer of such vehicles to the Armed Forces of Ukraine and other military formations (the “**Mobilisation Restrictions**”). The list of the vehicles and equipment that may be designated for military needs is to be determined by the Ministry of Defence of Ukraine. As at the date of this Information Memorandum, no implementing regulations establishing specific requirements for designation under the Mobilisation Restrictions has been adopted and therefore no vehicles forming part of the Ukrainian Secured Property are subject to the Mobilisation Restrictions. However, once such secondary legislation is in place, there can be no assurance that the vehicles forming part of the Ukrainian Secured Property will not be subject to the Mobilisation Restrictions, which, in turn, may render enforcement of the Ukrainian Security with respect to such vehicles impossible.

The insolvency laws of Ukraine may not be as favourable as the bankruptcy laws of other jurisdictions with which Noteholders are familiar

Ukrainian bankruptcy laws differ from bankruptcy laws of England and are subject to varying interpretations. There is not enough precedent to be able to predict how claims of Noteholders would be resolved in the event of the bankruptcy of a Ukrainian Guarantor. To the extent the Secured Liabilities of a Ukrainian Guarantor exceed the value of the Ukrainian Security, such Secured Liabilities would be, in the event of bankruptcy of the Ukrainian Guarantor, subordinated to, in particular, the following obligations of such Ukrainian Guarantor:

- obligations secured by pledges or mortgages of its assets (other than those secured by the Ukrainian Security);
- severance pay, employment-related obligations and payment of wages to the relevant Ukrainian Guarantor’s employees due as of the commencement of the liquidation procedure;
- claims for payment of indebtedness for compensation of losses incurred by the State Budget of Ukraine as a result of the enforcement of judgments of the European Court of Human Rights rendered against Ukraine;
- obligations arising out of insurance contracts;
- expenses related to bankruptcy proceedings and liquidation procedures;
- obligations arising as a result of causing harm to life or health of individuals, as well as mandatory pension and social security contributions; and
- local and state taxes and other mandatory payments (including claims of the respective governmental authorities managing the state reserve fund).

In addition, after any bankruptcy proceeding is commenced, the Ukrainian court imposes a moratorium on the satisfaction of secured and unsecured claims of creditors which became payable prior to the commencement of the bankruptcy proceeding. During the term of such moratorium, the relevant Ukrainian Guarantor would be unable to make payments to the Trustee or the Security Trustee, and the Trustee's or Security Trustee's claims against such Ukrainian Guarantor would not be enforceable in Ukraine. Such Ukrainian Guarantor may not be held liable in Ukraine for the non-performance of its obligations to Noteholders resulting from the imposition of the moratorium.

Further, Article 42 of the Code of Ukraine on Bankruptcy Procedures which entered into effect on 21 October 2019 (the "**Bankruptcy Code**") permits a court to invalidate agreements or reverse asset-related actions entered into or made by a debtor after the commencement of the bankruptcy proceedings or within three years prior to the commencement of the bankruptcy proceedings, upon application of an insolvency manager or a competitive creditor. The Suretyships, the Ukrainian Security and/or asset-related actions in connection with the Suretyships or the Ukrainian Security may be challenged in bankruptcy proceeding on, *inter alia*, the following grounds: (i) the Ukrainian Guarantor assumed obligations as a result of which it became insolvent or its performance of monetary obligations to other creditors in part or in full became impossible or (ii) the Ukrainian Guarantor made payment to a creditor on the day when the amount of creditors' claims exceeded the value of its assets (or similar). In addition, agreements entered into by a debtor within three years prior to the commencement of the bankruptcy proceedings could be invalidated by a court upon application of an insolvency manager or a creditor on the following grounds: (i) the Ukrainian Guarantor assumed obligations without any pecuniary actions of the other party (ii) the Ukrainian Guarantor has executed a contract with an interested party, or (iii) the Ukrainian Guarantor has executed a gift contract.

In the event that a Suretyship or the Ukrainian Security is invalidated and/or asset-related actions in connection with a Suretyship or the Ukrainian Security are cancelled by the court, an affected creditor would be under an obligation to return to the liquidation estate (formed at the stage of liquidation procedure within the bankruptcy proceeding) assets that it received from a Ukrainian Guarantor, including assets received following enforcement of the Ukrainian Security. If it is not possible to return such assets, a creditor would need to compensate to the Ukrainian Guarantor for the value of such assets at the market prices as of the date of the relevant transaction. The creditor may then (i) enter as unsecured creditor into a bankruptcy proceeding (with claims against Ukrainian Guarantor which arose after commencement of the bankruptcy proceeding); and (ii) demand payment of its debt from the Ukrainian Guarantor in the course of a liquidation procedure as an unsecured creditor.

As at the date of this Information Memorandum the clawback provisions of the Bankruptcy Code are not properly tested and may be subject to varying interpretations.

Accordingly, in the event of the bankruptcy of a Ukrainian Guarantor, Ukrainian bankruptcy laws may have a material and adverse effect on such Ukrainian Guarantor's ability to make payments to Noteholders or prevent Noteholders from recovering in part or in full any amount from such Ukrainian Guarantor in connection with the Notes.

Payments under the Suretyship Agreement may be subject to withholding tax and an investor may not be able to obtain relief under a double tax treaty

Ukrainian tax legislation does not specifically list payments made under the Suretyship Agreement as Ukrainian-sourced income of a non-resident beneficiary of such payments. However, the Tax Code of Ukraine contains a catch-all clause, which considers "any other income" of a foreign resident received from carrying out business in Ukraine as Ukrainian-sourced income. It remains uncertain whether the "Ukrainian-sourced income" concept should be applied to the whole amount of payments under the Suretyship Agreement or only to the certain amount which corresponds to the unpaid interest under the Notes (i.e. whether payments under the Suretyship Agreement should be deemed as having the "original" nature of the payments under the Notes).

If payments under the Suretyship Agreement are treated as having the same nature as the "original" payments under the Notes (such as payments of principal or interest), other payments under the Suretyship Agreement (such as default interest, indemnities and others) by the Ukrainian Guarantor to a non-resident payee (such as the Trustee or any Noteholder) will be subject to Ukrainian withholding tax at the rate of 15 per cent. unless such payments are subject to a reduced rate or exemption pursuant to the terms of an applicable double tax treaty. Based on a fair interpretation of applicable Ukrainian tax legislation (which, however, was not yet confirmed by an established practice of the Ukrainian tax authorities or courts), such Ukrainian withholding tax should not apply to the payments under the Suretyship Agreement in respect of, and equal to, the nominal amount of the Notes.

Under the terms of the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ukraine on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains signed on 10 February 1993 and in force from 11 August 1993 (the “**Ukraine-UK Double Tax Treaty**”), as amended by a Protocol signed on 9 October 2017 and in force from 5 December 2019 (the “**Protocol**”), payments to the Trustee for the benefit of the Noteholders under the Suretyship Agreement other than repayment of the principal amount of the Notes, may be subject to a reduced 5 per cent. rate of withholding tax in Ukraine. However, application of the reduced withholding tax rate under provisions of the Ukraine-UK Double Tax Treaty is subject to certain conditions set forth therein as well as in applicable Ukrainian tax legislation. The conditions are of a various nature and relate to (i) status of the Trustee as the beneficial owner of the income, (ii) principal purpose of the arrangement, (iii) compliance of payment amounts with an arm’s length principle, (iv) fulfilment of certain formalities in order to confirm tax residency of the Trustee in the United Kingdom, (v) absence of a permanent establishment of the Trustee in Ukraine, and (vi) taxation of the Ukraine-sourced payments in the United Kingdom. If any of the conditions for application of the Ukraine-UK Double Tax Treaty benefits is not satisfied, the Trustee may not be able or may be limited in its ability to enjoy the reduced withholding tax rate in Ukraine. Particularly, based on the recent amendments to the Tax Code of Ukraine, to prove beneficial owner status of a payee, it must be demonstrated that the payee both has a legal title to the income received and defines the further “economic fate” of such income.

At the same time, if payments under the Suretyship Agreement are treated as “other income”, such payments will be subject to a 15 per cent. withholding tax in Ukraine, unless exemption under the Ukraine-UK Double Tax Treaty is available. To qualify for exemption as “other income”, the following conditions should be met: (i) the Trustee should be a beneficial owner of the Ukraine-sourced income, (ii) principal purpose test should be passed, (iii) the Trustee should provide the Guarantor with a duly formalised tax residency certificate for the year in which the payment is made confirming that the Trustee is a tax resident in the United Kingdom, and (iv) the Trustee should not carry on business in Ukraine through a permanent establishment located in Ukraine.

The ability to benefit from the exemption from withholding tax or from the reduced withholding tax rate under the Ukraine-UK Double Tax Treaty may be challenged by tax authorities in Ukraine if they consider that obtaining such benefits was one of the principal purposes of the transaction. This limitation on relief was introduced into the Ukraine-UK Double Tax Treaty by the Protocol and to the Tax Code of Ukraine.

If, at any point in the future, the Trustee fails to satisfy the “beneficial ownership” test in respect of payments under the Suretyship Agreement, the Noteholders may benefit from the reduced withholding tax rate or exemption from Ukrainian withholding tax only if there is an effective double tax treaty of their residence jurisdiction with Ukraine (so-called “look through” approach). Provisions regarding the application of “look through” approach were introduced by the Law of Ukraine “On Amendments to the Tax Code of Ukraine Purposed to Improve the Administration of Taxes, Eliminate Technical and Logical Inconsistencies in the Tax Legislation” (the “**Anti-BEPS Law**”) and became effective starting from 23 May 2020. Generally, should an immediate payee of the Ukrainian-sourced income differ from the beneficial owner of such income, the Ukrainian tax authorities may apply a statutory withholding tax rate of 15 per cent. and disregard provisions of a double tax treaty between Ukraine and the beneficial owner’s jurisdiction.

Nonetheless, the application of the double tax treaty between Ukraine and the Noteholder’s jurisdiction under the ‘look through’ approach (even if acceptable) would be subject to certain conditions set forth in the tax treaty as well as in applicable Ukrainian tax laws. In particular, in order to benefit from the provision of such double tax treaty, (i) the Trustee would need to provide the Ukrainian Guarantor with a certificate confirming that it is not the beneficial owner of the income and (ii) a Noteholder would need to provide the Ukrainian Guarantor with a tax residency certificate issued by the competent authorities of the treaty state and a confirmation together with supporting documents that such Noteholder is the beneficial owner of such income. The documents should be provided before the payment by the Ukrainian Guarantor under the Suretyship Agreement. If either the Trustee or the Noteholder fails to provide the Ukrainian Guarantor with the necessary documents, any benefits of the double tax treaty will not be available and payments under the Suretyship Agreement may be subject to 15 per cent. withholding tax in Ukraine.

Noteholders may face exchange rate risks and exchange controls by investing in the Notes

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than U.S. dollars. These include the risk that exchange rates may significantly vary (including changes due to devaluation of U.S. dollars or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction

over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

There may be tax consequences for Noteholders as a result of any foreign exchange gains or losses.

Noteholders may face interest rate risks by investing in the Notes

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Noteholders may not be adequately protected against corporate restructurings or highly leveraged transactions

The terms of the Notes do not contain provisions that would afford Noteholders protection in the event of a decline in the Group's credit quality, e.g. resulting from corporate restructurings or highly leveraged or other similar transactions in which the Group may engage. In particular, Noteholders do not have the right to require the Group to repurchase or redeem the Notes in the event of a decline in the Group's credit quality.

Credit ratings may not reflect all risks

The Issuer expects the Notes to be rated "B" by S&P and "B+" by Fitch. The foregoing credit rating does not mean that the Notes are a suitable investment.

The credit rating(s) assigned to the Notes at any time may not reflect the potential impact of all risks related to structure, market, factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating organisation at any time by the assigning rating organisation. A credit rating reflects only the views of the assigning rating organisation. Investors must conduct their own assessments of the Group and its business, operations, assets and financial position, and are strongly cautioned not to place undue emphasis on any particular rating that has been assigned to the Group or the Notes.

Any negative change in Moldova's or the Notes' credit rating could adversely affect the market price of the Notes

Any negative change in Moldova's or the Notes' credit rating could materially adversely affect the market price of the Notes. A change in the credit rating of one or more other Moldovan corporate borrowers or banks could also adversely affect the price of the Notes.

As the Global Note Certificates are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer or the Guarantors

The Notes will be represented by the Global Notes except in certain limited circumstances described therein. The Regulation S Global Note will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg and the Rule 144A Global Note will be deposited with a custodian for, and registered in the name of a nominee for, DTC. Except in certain limited circumstances described in the Global Notes, investors will not be entitled to receive definitive Notes. Euroclear, Clearstream, Luxembourg and DTC will maintain records of the beneficial interests in the Regulation S Global Note or the Rule 144A Global Note, as the case may be. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg and DTC.

The Issuer and the Guarantors will discharge their payment obligations under the Notes by making payments to the Principal Paying Agent, who will make payments to Euroclear, Clearstream, Luxembourg and DTC for distribution to their account holders. A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg and DTC to receive payments under the Notes. The Issuer and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Noteholders' rights will be limited as long as the Notes are issued in book-entry interests

The Notes will initially only be issued in global certificated form, and held through the clearing systems. Interests in the Global Notes will trade in book-entry form only, and notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or

holders of Notes. The common depository or the custodian (or a nominee of any of them), for the clearing systems will be the sole registered holder of the Global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Note representing the Notes will be made to the Principal Paying Agent, who will make payments to the clearing systems. Thereafter, these payments will be credited to accounts of participants who hold book-entry interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the clearing systems, none of the Issuer, the Guarantors, the Joint Bookrunners, the Trustee or the Agents (as defined in the Conditions) will have any responsibility or liability for the payment of interest, principal or other amounts to the owners of the book-entry interests. Accordingly, an owner of book-entry interests must rely on the procedures of the clearing systems, and if an owner of book-entry interests is not a participant in the clearing systems, on the procedures of the participant through which it holds its interest, to exercise any rights and obligations of a Noteholder under the Trust Deed.

Unlike the Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if a Noteholder owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from the relevant clearing system. The procedures implemented for the granting of such proxies may not be sufficient to enable an owner of book-entry interests to vote on a timely basis.

Similarly, upon the occurrence of an Event of Default under the Trust Deed, unless and until notes in definitive registered form are issued in respect of all book-entry interests, an owner of book-entry interests will be restricted to acting through Euroclear, Clearstream, Luxembourg and DTC. The procedures to be implemented through Euroclear, Clearstream, Luxembourg and DTC may not be adequate to ensure the timely exercise of rights under the Notes.

The Notes may only be transferred in accordance with the procedures of the depositories in which the Notes are deposited.

Except in limited circumstances, the Notes will be issued only in global form with interests therein held through the facilities of Euroclear, Clearstream, Luxembourg and DTC. Ownership of beneficial interests in the Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg and DTC or their nominees and the records of their participants. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer beneficial interests in the Notes. Because Euroclear, Clearstream, Luxembourg and DTC can only act on behalf of their participants, which in turn act on behalf of owners of beneficial interests held through such participants and certain banks, the ability of a person having a beneficial interest in a Note to pledge or transfer such interest to persons or entities that do not participate in the Euroclear, Clearstream, Luxembourg or DTC systems may be impaired. See "Summary of Provisions relating to the Notes in Global Form".

The Notes are subject to restrictions on transfer.

The Notes are being offered and sold in the United States in reliance on Rule 144A (the "**Rule 144A Offering**") to purchasers who are QIBs. The Notes also may be offered and sold outside the United States (the "**Regulation S Offering**") in reliance on Regulation S. Each purchaser of Notes pursuant to the Rule 144A Offering will be deemed to have represented to the Issuer that it is a QIB. Each purchaser of the Notes pursuant to the Regulation S Offering will be deemed to have represented to the Issuer that it is aware that the sale is being made in reliance on Regulation S. As a result of the foregoing, the Notes are subject to certain restrictions on transfer, which may adversely affect the liquidity of the Notes. See "Transfer Restrictions".

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Further Issuances

The Issuer may, from time to time, without notice to or the consent of the holders of the outstanding Notes, create and issue Additional Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the

first payment of interest); however, the Additional Notes may not be fungible for U.S. federal income tax purposes with the Notes issued in the Offering. In general, the Additional Notes may not be fungible unless they are issued in a “qualified reopening” of the issuance of the original Notes (within the meaning of the applicable U.S. Treasury Regulations). Whether the issuance of Additional Notes is a “qualified reopening” will depend on certain factors, such as the interval after the original offering, the yield of the outstanding Notes at that time (based on their fair market value), whether the Additional Notes would otherwise be issued with OID, and whether any outstanding Notes are publicly traded or quoted at the time. If issuance of the Additional Notes is not a “qualified reopening”, the Additional Notes may have OID. If such Additional Notes have OID, such OID may adversely affect the market value of the outstanding Notes unless the Additional Notes can be distinguished from the Notes. Prospective Holders should consult their own tax advisors with respect to the implications of any further decision by the Issuer to undertake a further issuance of debt securities with OID.

USE OF PROCEEDS

The gross proceeds from the Offering of the Notes are expected to be U.S.\$544.863 million, before deducting commissions and expenses related to the Offering and the Tender Offer, which are estimated to be approximately U.S.\$15.0 million.

The Issuer will use the proceeds received from the issue and sale of the Notes in the amount of approximately U.S.\$502.2 million to finance the purchase of any or all of the 2026 Notes, tendered and accepted for purchase in the Tender Offer and the redemption of 2026 Notes remaining outstanding after the Tender Offer upon the approval of the Mandatory Early Redemption, as well as the payment of any early consent and transaction fees in connection therewith, all pursuant to the Tender Offer and Consent Solicitation Memorandum. The remaining proceeds received from the issue and sale of the Notes will be used to refinance existing indebtedness of the Group and for the transaction fees and expenses thereof.

The following table sets forth the estimated sources and uses for the Offering. Actual amounts will vary from estimated amounts depending on several factors, including differences from the Group's estimates of fees, discounts and commissions:

Source of Funds	(in millions of U.S. dollars)	Use of Funds	(in millions of U.S. dollars)
Notes offered hereby ⁽¹⁾	544.863	Repurchase of 2026 Notes ⁽²⁾	502.200
		Refinancing of other indebtedness ⁽³⁾	27.663
		Fees, discounts and commissions ⁽⁴⁾	15.000
Total sources of funds	544.863	Total uses of funds	544.863

(1) Reflects \$550.0 million of Notes at an issue price of 99.066%.

(2) Reflects amounts outstanding under the 2026 Notes, which will be repurchased pursuant to the Tender Offer and the Mandatory Early Redemption, plus, in each case tender premiums and accrued interest.

(3) Reflects the amount that will be used for the refinancing of certain existing trade finance facilities of the Group.

(4) Reflects the Issuer's estimate of the fees, discounts and commissions that the Group will pay in connection with the Offering of the Notes and the Tender Offer.

On 28 October 2024, pursuant to the Tender Offer and Consent Solicitation Memorandum, the Issuer invited holders of the 2026 Notes to: (i) tender any or all of the 2026 Notes held by them for purchase by the Issuer for cash; and (ii) concurrently consent to amend by extraordinary resolution the terms and conditions of the 2024 Notes to provide for the Mandatory Early Redemption, all on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum.

As of 12 November 2024, there was U.S.\$500,000,000 in principal amount of the 2026 Notes outstanding. 2026 Notes tendered in the Tender Offer and Consent Solicitation and accepted for purchase by the Issuer are expected to be settled on 22 November 2024 and 29 November, and the Mandatory Early Redemption to be completed on 2 December 2024. See "*Subscription and Sale—Tender Offer and Priority Allocation*".

Neither the Issuer nor any Guarantor will directly or indirectly use the proceeds of the offering of the Notes, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of sanctions administered or enforced by the U.S., the United Nations, the EU, the U.K. or any governmental or regulatory authority, institution or agency of any of the foregoing including, without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control or the United States Department of State (including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the EU, His Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), (ii) to fund or facilitate any activities of or business in any country, region or territory that is the subject or target of Sanctions including, without limitation, Cuba, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Kherson and Zaporizhia regions of Ukraine under temporary control of the Russian Federation, Iran, North Korea and Syria, or (iii) in any other manner that will result in a violation by any EU, U.K., U.S. or any other person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, or (iv) to fund or facilitate any activities or business in the Russian Federation or with a Russian person.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following selected consolidated financial information shows selected historical consolidated financial information and other operating information of the Group as of 30 June 2024, 2023 and 2022 and for the three years then ended. The Consolidated Statement of Profit or Loss and Other Comprehensive Income data, Consolidated Statement of Financial Position data and Consolidated Statement of Cash Flows data set forth below have been derived from, and should be read in conjunction with, the Consolidated Financial Statements included elsewhere in this Information Memorandum. The selected consolidated financial information should also be read in conjunction with “Management’s Discussion and Analysis of Results of Operations and Financial Condition” below. The selected consolidated financial information should also be read in conjunction with “Management’s Discussion and Analysis of Results of Operations and Financial Condition” below. EBITDA, EBITDA Margin, Net Debt, Adjusted Net Debt, gross profit margin, net profit margin, Interest Coverage, Adjusted Net Debt to EBITDA ratio, Fixed Charge Coverage Ratio, Cash Conversion Cycle, Working Capital and Net Working Capital presented below are non-IFRS measures and were calculated by the Group based on data derived from the Consolidated Financial Statements. See “Presentation of Financial and Other Information—Presentation of Non-IFRS Measures”.

Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Revenue	2,309,707	2,134,338	2,675,225
Cost of sales	(1,919,740)	(1,774,746)	(2,190,134)
Gross profit	389,967	359,592	485,091
Gross profit margin	16.9%	16.8%	18.1%
Other income	8,562	10,410	16,657
Selling and distribution costs	(173,043)	(175,202)	(239,830)
General and administrative expenses	(28,949)	(25,801)	(22,753)
Other losses - net	(8,987)	(9,305)	(6,939)
Operating profit	187,550	159,694	232,226
Net finance costs	(98,090)	(67,857)	(65,453)
Profit before tax	89,460	91,837	166,773
Income tax expense	(21,843)	(18,438)	(18,439)
Profit for the year	67,617	73,399	148,334
Net Profit Margin	2.9%	3.4%	5.5%
Profit for the year <i>Attributable to:</i>			
Owners of the Company	66,905	72,575	140,774
Non-controlling interest	712	824	7,560
Profit for the year	67,617	73,399	148,334
Other comprehensive income			
Gain on revaluation of property, plant and equipment	–	42,204	–
Related tax	–	(3,742)	–
Other comprehensive income	–	38,462	–
Currency translation reserve	(3,302)	1,179	(7,094)
Total comprehensive income for the year	64,315	113,040	141,240
<i>Attributable to:</i>			

Owners of the Company.....	63,603	112,216	133,680
Non-controlling interest.....	712	824	7,560
Total comprehensive income for the year.....	64,315	113,040	141,240

Consolidated Statement of Financial Position Data

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Non-current assets			
Intangible assets and Goodwill.....	51,272	51,273	51,243
Property, plant and equipment.....	467,868	467,359	406,555
Total non-current assets.....	519,140	518,632	457,798
Current assets			
Inventories.....	526,742	483,611	484,010
Forward contracts.....	105,653	112,425	31,313
Trade and other receivables.....	471,526	375,540	380,415
Cash and cash equivalents.....	134,203	67,757	78,860
Total current assets.....	1,238,124	1,039,333	974,598
Total assets.....	1,757,264	1,557,965	1,432,396
LIABILITIES			
Non-current liabilities			
Borrowings.....	103,928	78,653	87,058
Bond issued.....	492,200	488,659	485,427
Bond premium.....	2,557	3,781	5,006
Lease liabilities.....	11,873	11,893	12,519
Deferred tax liabilities.....	35,031	34,475	32,536
Advances received.....	85	117	130
Total non-current liabilities.....	645,674	617,578	622,676
Current liabilities			
Borrowings.....	276,651	176,809	207,308
Trade and other payables.....	124,790	106,241	73,139
Forward contract liabilities.....	2,564	18,760	4,530
Lease liabilities.....	891	700	617
Provisions.....	6,046	1,544	833
Total current liabilities.....	410,942	304,054	286,427
Total liabilities.....	1,056,616	921,632	909,103
EQUITY			
Share capital and premium.....	20,455	20,455	20,455
Retained earnings.....	580,947	514,042	441,467
Currency translation reserve.....	(9,217)	(5,915)	(7,094)
Fair value reserves.....	84,029	84,029	45,567
Non-controlling interest.....	24,434	23,722	22,898
Total equity.....	700,648	636,333	523,293
Total equity and liabilities.....	1,757,264	1,557,965	1,432,396

Consolidated Statement of Cash Flows Data

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Net cash from operating activities.....	58,549	207,619	22,773
Net cash used in investing activities.....	(22,378)	(40,300)	(67,225)
Net cash from / (used in) financing activities.....	33,099	(175,518)	58,327
Effect of exchange rate fluctuations on cash movements.....	(2,824)	(2,904)	(2,282)
Net (decrease)/increase in cash and cash equivalents.....	69,270	(8,199)	13,875

Non-IFRS Financial Measures

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
Profit for the year	67,617	73,399	148,334
Income tax expense.....	21,843	18,438	18,439
Net finance costs.....	98,090	67,857	65,453
Operating profit	187,551	159,694	232,226
Depreciation and amortisation included in operating profit	24,927	20,325	17,089
EBITDA	212,478	184,303	241,532
Revenue.....	2,309,707	2,134,338	2,675,225
EBITDA margin ⁽¹⁾	9.2%	8.6%	9.0%

(1) Calculated as EBITDA as a percentage of revenue.

Readily marketable inventories

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Wheat.....	31,971	86,628	37,507
Barley	13,655	50,424	27,224
Sunflower.....	109,429	107,834	104,103
Corn	41,681	40,155	62,119
Other Grains & Oilseeds	253	67	59
Soya.....	102,764	22,628	1,117
Rape.....	26,310	22,983	36,026
Crude vegetable oil.....	125,438	100,747	148,646
Soyabean meal	28,961	–	139
Sunflower meal	19,771	3,208	735
Own production	18,710	38,782	46,123
Readily Marketable Inventories (RMI) ⁽¹⁾⁽²⁾	518,943	473,456	463,798

(1) Total amount of grains, oil seeds and oil products (including crude oil, refined oil and meal) purchased for resale and own production of the Group, included in Note 10 to the Consolidated Financial Statements.

(2) To calculate the Adjusted Net Debt, the Group excludes from Net Debt, among other things, 75 per cent. of the RMI's book value on the relevant date. See "Presentation of Financial and Other Information-Presentation of Non-IFRS Measures".

Working Capital

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Inventories.....	526,742	483,611	484,010
<i>Wheat</i>	31,971	86,628	37,507
<i>Barley</i>	13,655	50,424	27,224
<i>Sunflower</i>	109,429	107,834	104,103
<i>Corn</i>	41,681	40,155	62,119
<i>Other Grains & Oilseeds</i>	253	67	59
<i>Soya</i>	102,764	22,628	1,117
<i>Rape</i>	26,310	22,983	36,026
<i>Crude vegetable oil</i>	125,438	100,747	148,646
<i>Soyabean meal</i>	28,961	–	139
<i>Sunflower meal</i>	19,771	3,208	735
<i>Other inventories</i>	26,509	48,937	66,335
Trade and other receivables ⁽¹⁾	276,231	206,476	258,721
Advances to suppliers.....	195,295	169,064	121,694
Cash and cash equivalents.....	134,203	67,757	78,860
Trade and other payables.....	(124,790)	(106,241)	(73,139)
Working Capital ⁽²⁾	1,007,681	820,667	870,146

Net Working Capital⁽³⁾	678,183	583,846	669,592
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- (1) Calculated as the sum of trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given.
- (2) The Group calculates working capital as the sum of inventories, trade and other receivables, advances to suppliers and cash and cash equivalents less trade and other payables.
- (3) The Group calculates net working capital as working capital less advances to suppliers and cash and cash equivalents.

Cash Conversion Cycle

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Revenue.....	2,309,707	2,134,338	2,675,225
Cost of sales.....	(1,919,740)	(1,774,746)	(2,190,134)
	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Trade and other receivables ⁽¹⁾	276,231	206,476	258,721
Inventories.....	526,742	483,611	484,010
Trade and other payables.....	(124,790)	(106,241)	(73,139)
	Year ended 30 June		
	2024	2023	2022
	(in days)		
Trade and other receivables cash conversion cycle ⁽²⁾	38	40	23
Inventories cash conversion cycle ⁽³⁾	96	100	74
Payables cash conversion cycle ⁽⁴⁾	(22)	(18)	(9)
Cash conversion cycle⁽⁵⁾	112	122	88

- (1) Calculated as the sum of trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given, excluding any advances to suppliers.
- (2) Calculated as the average of trade and other receivables as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 and divided by revenue for the year.
- (3) Calculated as the average of inventories as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 and divided by cost of sales for the year.
- (4) Calculated as the average of payables as of the end of the reporting period and as of the end of the previous reporting period, multiplied by 365 divided by cost of sales for the year.
- (5) Calculated as the sum of the trade and other receivables conversion cycle and the inventories conversion cycle less the payables conversion cycle.

Net Debt, Adjusted Net Debt, EBITDA, Adjusted Net Debt/EBITDA, Fixed Charges, Interest Coverage ratio, Fixed Charge Coverage ratio, Cash Conversion Cycle

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
Bonds issued	492,200	488,659	485,427
Non-current borrowings	103,928	78,653	87,058
Current borrowings	276,651	176,809	207,308
Total Debt	872,779	744,121	779,793
Cash and cash equivalents ⁽¹⁾	134,203	67,757	78,860
Net Debt ⁽²⁾	738,576	676,364	700,933
RMI	518,943	473,456	463,798
75 per cent. of RMI	389,207	355,092	347,849
Adjusted Net Debt ⁽³⁾	328,031	301,928	334,332
EBITDA	212,478	184,303	241,532
Net Debt/EBITDA	3.5x	3.8x	2.8x
Adjusted Net Debt/EBITDA	1.5x	1.6x	1.4x
Interest expense ⁽⁴⁾	82,098	64,161	64,181
Loan commissions	6,115	7,014	6,654
Bank commissions	2,665	2,124	2,492
Other fixed charges ⁽⁵⁾	4,378	3,940	3,787
Fixed charges ⁽⁶⁾	95,256	77,239	77,114
Interest coverage ratio ⁽⁷⁾	2.6x	2.9x	3.8x
Fixed charge coverage ratio ⁽⁸⁾	2.2x	2.4x	3.1x
Gross profit margin ⁽⁹⁾	16.9%	16.8%	18.1%
Net profit margin ⁽¹⁰⁾	2.9%	3.4%	5.5%
Cash conversion cycle, days	112	122	88

(1) Cash and cash equivalents include cash deposited on the escrow account under the 2024 Notes.

(2) Net Debt is calculated as sum of current and non-current borrowings and bonds issued less cash and cash equivalents.

(3) Adjusted Net Debt is calculated as Net Debt less the sum of Shareholder's loan with an outstanding principal balance of U.S.\$21,203, 19,334 and 18,752 thousand as of each of 30 June 2024, 2023 and 2022, respectively, and 75 per cent. of the Group's RMI.

(4) Interest expense includes interest expenses and interest on bonds issued.

(5) Includes amortisation of bonds issued costs and lease interest expense.

(6) Calculated as sum of interest expense, loan commissions, bank commissions and other fixed charges for the period.

(7) Calculated as EBITDA divided by Interest expense.

(8) Calculated as EBITDA divided by Fixed charges.

(9) Calculated as gross profit divided by the revenue for the period.

(10) Calculated as profit for the period divided by the revenue for the period.

Reconciliation of Segment EBITDA

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars, except as otherwise indicated)		
<i>Consolidated for the Group</i>			
Profit for the year	67,617	73,399	148,334
Income tax expense.....	21,843	18,438	18,439
Net finance costs.....	98,090	67,857	65,453
Operating profit	187,551	159,694	232,226
Depreciation and amortisation included in operating profit .	24,927	20,325	17,089
Bargain purchase of Serbian assets.....	-	-	(7,783)
Impairment charge of fixed assets	-	4,284	-
EBITDA	212,478	184,303	241,532
Revenue.....	2,309,707	2,134,338	2,675,225
EBITDA margin	9.2%	8.6%	9.0%
<i>Origination and marketing</i>			
Profit for the year	32,426	28,078	91,180
Income tax expense.....	17,737	13,616	15,304
Net finance costs.....	79,703	49,600	49,155
Operating profit	129,867	91,294	155,640
Depreciation and amortisation included in operating profit .	10,697	7,504	4,872
Bargain purchase of Serbian assets	-	-	(7,783)
EBITDA	140,564	98,798	152,729
Revenue.....	1,845,843	1,529,735	1,977,832
EBITDA margin	7.6%	6.5%	7.7%
<i>Infrastructure and other</i>			
Profit for the year	3,564	2,805	2,749
Income tax expense.....	0	0	0
Net finance costs.....	0	0	0
Operating profit	3,564	2,805	2,749
Depreciation and amortisation included in operating profit .	7,565	6,506	7,006
Impairment charge of fixed assets	-	4,284	-
EBITDA	11,129	13,595	9,755
Revenue.....	36,740	46,563	38,165
EBITDA margin	30.3%	29.2%	25.6%
<i>Crushing and refining</i>			
Profit for the year	31,627	42,516	54,405
Income tax expense.....	4,106	4,822	3,136
Net finance costs.....	18,387	18,257	16,297
Operating profit	54,120	65,595	73,838
Depreciation and amortisation included in operating profit .	6,665	6,315	5,211
EBITDA	60,785	71,910	79,049
Revenue.....	427,124	558,039	659,228
EBITDA margin	14.2%	12.9%	12.0%

CAPITALISATION

The following table sets out the capitalisation of the Group as of 30 June 2024, as derived from the Consolidated Financial Statements. The information below should be read in conjunction with the sections entitled “*Use of Proceeds*”, “*Selected Consolidated Financial and Operating Information*”, “*Management's Discussion and Analysis of Results of Operations and Financial Condition*” and the Consolidated Financial Statements included elsewhere in this Information Memorandum.

	As at 30 June 2024	
	Actual	As Adjusted ⁽¹⁾
	(in thousands of U.S. dollars)	
Current borrowings		
Bank borrowings ⁽²⁾	269,175	240,762
Bond accrued interest	7,476	-
Total current borrowings	276,651	240,762
Current lease liabilities	891	891
Non-current borrowings and bonds issued		
2026 Notes issued ⁽³⁾	494,757	-
Notes offered hereby ⁽⁴⁾	-	535,000
Bank borrowings.....	81,160	81,160
Shareholder loan ⁽⁵⁾	22,081	22,081
Loan interest unwinding.....	687	687
Total non-current borrowings	598,685	638,928
Non-current lease liabilities	11,873	11,873
Equity		
Share capital and premium ⁽⁶⁾	20,455	20,455
Retained earnings.....	580,947	580,947
Currency translation reserve.....	(9,217)	(9,217)
Fair value reserves ⁽⁷⁾	84,029	84,029
Total equity	676,214	676,214
Total capitalisation ⁽⁸⁾	1,564,314	1,568,668

(1) As adjusted to reflect the impact of the Offering and the Tender Offer and the Mandatory Early Redemption.

(2) Including outstanding indebtedness under the pre-export finance syndicated facility. Obligations of the Group under the pre-export finance syndicated facility are secured by a pledge of certain commodities.

(3) Includes bond premium of U.S.\$2,557 thousand as of 30 June 2024.

(4) Represents the aggregate principal amount of Notes offered hereby of U.S.\$550.0 million, less amortised costs related to the issue of the Notes and the Tender Offer (U.S.\$15.0 million).

(5) Outstanding balance under the subordinated loan provided by Mr. Vaja Jhashi. The loan is interest free and matures in 2027.

(6) For more details, see also Note 15 to the Consolidated Financial Statements.

(7) Fair value reserves primarily comprise revaluation of the Group's property plant and equipment.

(8) Total capitalisation represents the sum of current and non-current borrowings and bonds issued, current and non-current lease liabilities and total equity.

In July 2024, the Group renewed and upsized its long-established Pre-Export Facility (or “**Borrowing Base**”), committed by an international banking pool including development finance institutions (“**DFIs**”) and prime commercial banks. The Borrowing Base facility has been increased from U.S.\$150 million to U.S.\$177.5 million, marking a significant milestone in the Group's growth and development.

In August 2024, Global Grain International, a subsidiary of the Group, secured EUR 25 million Romanian Government Aid through National Program INVESTALIM. The granted state aid will be allocated towards the construction of a state-of-the-art processing facility in Ialomita County in Romania. This new plant is designed to process up to 300 thousand tonnes of soybeans or rape seeds annually, bolstering Romania's agricultural processing capabilities and contributing to the local economy. The overall costs to build the processing facility are projected to reach up to 212 million RON (approximately EUR 43 million).

Other than as discussed above, there have been no other material changes to the capitalisation of the Group since 30 June 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion of the Group's financial condition and results of operations for the years ended 30 June 2024, 2023 and 2022 should be read in conjunction with the Consolidated Financial Statements and the other information included elsewhere in this Information Memorandum.

This section contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under "Risk Factors" and "Forward-Looking Statements."

Overview

The Group is a leading agro-industrial business in the CEE region. In addition to being the largest originator, processor and exporter of agri-commodities in Moldova, the Group has expanded its origination and processing activities into Romania, Serbia and other CEE countries.

In FY 2023/24, the Group sold 5,323 thousand tonnes of agricultural commodities. The Group originated nearly 62 per cent. and 23 per cent. of all sunflower seeds and wheat, respectively, produced in Moldova in FY 2023/24, according to the Company's calculations based on USDA data. The Group was the largest exporter of agricultural commodities in Moldova, with a share of 36 per cent. of the country's exports of agri-commodities in FY 2023/24, according to the Company's calculations based on USDA data.

The Group has been successfully diversifying its origination operations, with 90 per cent. of origination and marketing revenue attributable to origination and marketing activities in the CEE region based on the country from which the commodities were sourced (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil based on the country where the commodities were sourced (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively) in FY 2023/24. 32 per cent., 30 per cent., 17 per cent., 16 per cent. and 3 per cent. of the Group's EBITDA was attributable to Ukraine, Moldova, Serbia, Romania and Argentina based on the country where the commodities were sourced in FY 2023/24, respectively. As of 30 June 2024, 56 per cent. 27 per cent., 10 per cent. and 7 per cent. of the Group's non-current assets were located in Moldova, Serbia, Romania and Ukraine, respectively.

For FY 2023/24, 38.2 per cent. of the Group's origination and marketing revenue was attributable to customers located in the MENA region (with 10.2 per cent., 8.1 per cent. and 6.2 per cent. of total origination and marketing revenue attributable to Egypt, Iraq and Oman, respectively), 22.4 per cent. to the European Union (with 9.6 per cent. and 3.8 per cent. of total origination and marketing revenue attributable to Spain and Bulgaria, respectively), 18.5 per cent. to Asia (with 11.5 per cent. and 5.3 per cent. of total origination and marketing revenue attributable to India and Singapore, respectively) and 17.0 per cent. to Türkiye. Only 2.5 per cent., 0.4 per cent. and 0.9 per cent. of total origination and marketing revenue was attributable to Serbia, Moldova and Romania respectively. In terms of total revenue, 47 per cent., 33 per cent., 19 per cent. and 1 per cent. was attributable to the MENA region and Türkiye, the European Union and Serbia, Asia and Moldova, respectively in FY 2023/24.

The Group's business is vertically integrated, with operations across the entire value chain. The Group was the largest agri-processor in Moldova, accounting for over 94 per cent. of sunflower seeds crushed in Moldova in FY 2023/24. It is a leader in the handling, storage and trans-shipment of agricultural products in Moldova, with a total storage capacity of over 1 million tonnes, which represents approximately 90 per cent. of Moldova's total agricultural commodities storage capacity, according to Company data. The Group operates 46 inland silo storage facilities (including 13 in Moldova, one in Romania and 32 in Serbia), five sunflower crushing and refining plants in Moldova, Romania and Serbia, with a total crushing capacity of 4,200 tonnes per day and four grain and meal export terminals and one oil export terminal, all of which are located near the coast or on major inland waterways in Moldova, Ukraine and Serbia, with a total trans-shipment capacity of 3.6 million tonnes per year to 3.9 million tonnes per year. The Group also has a fleet of own and rented railcars and trucks.

The Group's principal sources of revenue include sales of grain and seeds, vegetable oil, oil meal and packed vegetable oil, which collectively accounted for 98.4 per cent. of the Group's total revenue in FY 2023/24, as compared to 97.8 per cent. in FY 2022/23. The Group's remaining revenue is derived from the storage, cleaning and drying of grain and oilseed.

In FY 2023/24, the Group had total revenue of U.S.\$2,309,707 thousand, EBITDA of U.S.\$212,478 thousand and profit for the year of U.S.\$67,617 thousand as compared to total revenue of U.S.\$2,134,338 thousand, EBITDA of U.S.\$184,303 thousand and profit for the year of U.S.\$73,399 thousand in FY 2022/23. The Group's EBITDA margin was 9.2 per cent. in FY 2023/24 as compared to 8.6 per cent. in FY 2022/23. The Group's net profit margin for the year was 2.9 per cent. in FY 2023/24, as compared to 3.4 per cent. in FY 2022/23.

The Group's Adjusted Net Debt to EBITDA ratio was 1.4x in FY 2021/22, 1.6x in FY 2022/23 and 1.5x in FY 2023/24. The Group's Net Debt to EBITDA ratio was 2.8x in FY 2021/22, 3.8x in FY 2022/23 and 3.5x in FY 2023/24.

Origination and Marketing

The Group originates oilseed and grain from farmers throughout the CEE region and internationally and sells these commodities to a wide range of international end-users and commodity trading firms across Europe, Asia and the MENA markets.

In FY 2023/24, the Group exported 2,850,685 tonnes of grain (primarily wheat (976,000 tonnes), corn (1,226,000 tonnes) and oilseed (1,036,422 tonnes)), as compared to 2,242,050 tonnes of grain (primarily wheat (635,000 tonnes), corn (1,125,000 tonnes) and oilseed (661,960 tonnes)) exported in FY 2022/23.

In FY 2023/24, the Group's origination and marketing revenue reached U.S.\$1,845,843 thousand, or 79.9 per cent. of the Group's total revenue, as compared to U.S.\$1,529,735 thousand, or 71.7 per cent. of the Group's total revenue in FY 2022/23.

The Group's sales and cash flow are subject to seasonal fluctuations, particularly in relation to agricultural harvest periods. The Group has historically managed this seasonality by supplementing operating cash flows with revolving credit facilities available to the Group from a number of international credit institutions. The Group generally incurs more short-term liabilities in the first half of the calendar year in connection with the purchases of agricultural commodities during the harvesting period, with working capital increasing during the first three quarters of the year, before decreasing in the fourth quarter as a result of sales of crops harvested. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Readily Marketable Inventories*".

Crushing and Refining

The Group operates five sunflower seed crushing and refinery plants, namely the Floarea Soarelui plant and the Trans-Oil Refinery plant in Moldova, the Tandarei crushing plant in Romania, the VictoriaOil oilseed crushing plant in Serbia and the Danube Oil crushing plant at Giurgiulesti in Moldova, with a total crushing capacity of 4,100 tonnes per day. In FY 2023/24, the Group was the leading oilseed processor in Moldova, accounting for over 93 per cent. of the domestic sunflower seed processing market, according to Company calculations based on USDA data. The Floarea Soarelui plant has a crushing capacity of 1,200 tonnes per day, refining capacity of 180 tonnes per day, bottling capacity of 150 tonnes per day and storage capacity of 45,000 tonnes of sunflower seeds. In FY 2024/23, FY 2023/22 and FY 2022/21, the Floarea Soarelui plant's crushing volume amounted to 236,555 thousand tonnes, 287,468 thousand tonnes and 318,800 thousand tonnes, respectively. The Trans-Oil Refinery plant has a crushing capacity of 400 tonnes per day and storage capacity of 80,000 tonnes of grain equivalent, available at the neighbouring silo owned by the Group. In FY 2024/23, FY 2023/22 and FY 2022/21, the Trans-Oil Refinery plant's crushing volume amounted to 83,253 thousand tonnes, 106,925 thousand tonnes and 115,788 thousand tonnes, respectively. The Tandarei crushing plant has a crushing capacity of 650 tonnes per day, refining capacity of 120 tonnes per day, modern bottling line capacity 75,000 bottles per day and storage capacity of 47,000 tonnes of grain equivalent spread across three elevators. In FY 2024/23, FY 2023/22 and FY 2022/21, the Tandarei crushing plant's crushing volume amounted to 113,498 thousand tonnes, 111,825 thousand tonnes and 134,594 thousand tonnes, respectively. The VictoriaOil oilseed crushing plant has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day. In FY 2024/23, FY 2023/22 and FY 2022/21, the VictoriaOil oilseed crushing plant's crushing volume amounted to 257,702 thousand tonnes, 219,980 thousand tonnes and 217,574 thousand tonnes, respectively. The Danube Oil crushing plant at Giurgiulesti in Moldova, which the Group completed construction of and started operating in September 2022, has a production capacity of 700 tonnes of premium organic sunflower oil per day. In FY 2024/23 and FY 2023/22, the Danube Oil crushing plant's crushing volume amounted to 117,167 thousand tonnes, 81,055 thousand tonnes, respectively. In FY 2023/24, the Group utilised approximately 65.7 per cent. of the crushing capacity of its Floarea Soarelui plant, 69.4 per cent. of the crushing capacity of its Trans-Oil Refinery plant, 58.2 per cent. of the crushing capacity of its Tandarei plant, 78.1 per cent. of the crushing capacity of its VictoriaOil oilseed crushing plant and 55.8 per cent. of

the crushing capacity of its Danube Oil crushing plant at Giurgiulesti. The Group's total crushed volume was 788 thousand tonnes in FY 2023/24, as compared to 807 thousand tonnes in FY 2022/23.

The Group's crushing and refining revenue in FY 2023/24 reached U.S.\$427,124 thousand, or 18.5 per cent. of the Group's total revenue, as compared to U.S.\$558,039 thousand, or 26.1 per cent. of the Group's total revenue in FY 2022/23.

Vegetable (sunflower) oil

In FY 2023/24, the Group was the largest exporter of vegetable oil in Moldova, according to USDA data. The Group also produces vegetable oil at its Tandarei plant in Romania. In FY 2023/24, the Group exported 257,493 tonnes, as compared to 259,127 tonnes in FY 2022/23. The Group's total sales of vegetable oil (including traded oil) in FY 2023/24 were 854,590 tonnes, which generated revenue of U.S.\$813,190 thousand, or 35.2 per cent., of the Group's total revenue, as compared to 502,313 tonnes of total bulk oil sales, which generated revenue of U.S.\$654,245 thousand, or 30.7 per cent., of the Group's total revenue in FY 2022/23.

The Group's total sales of vegetable oil (including traded oil) in FY 2023/24 were 854,590 tonnes, which generated revenue of U.S.\$813,190 thousand, or 35.2 per cent., of the Group's total revenue, as compared to 502,313 tonnes of total bulk oil sales, which generated revenue of U.S.\$654,245 thousand, or 30.7 per cent., of the Group's total revenue in FY 2022/23.

Packed vegetable (sunflower) oil

In FY 2023/24, the Group was the largest producer and vendor of packed vegetable oil in Moldova, according to Company data. In FY 2023/24, the Group sold 62.2 million litres (equivalent to 56,929 tonnes) of packed vegetable oil (including traded oil), both domestically and internationally, generating revenue of U.S.\$68,377 thousand, or 3.0 per cent., of the Group's total revenue in FY 2023/24, as compared to 70.3 million litres (equivalent to 64,415 tonnes) of packed vegetable oil sold both domestically and internationally in FY 2022/23, generating revenue of U.S.\$96,410 thousand, or 4.5 per cent., of the Group's total revenue in FY 2022/23.

The increase in sales of vegetable oil was primarily attributable to sales of traded vegetable oil in the context of its origination and marketing activities, before the entry into force of the import licensing mechanism. See "*Business—Regulatory Compliance—Import Licensing Mechanism*".

Infrastructure

The Group controls almost all of the inland and sea export agricultural infrastructure in Moldova, with an extensive silo network and strategic export terminals. The Group is also focused on utilising the Danube waterway in exploiting various local pockets of demand for agricultural commodities. In particular, it has entered into arrangements with several partner terminals and operators at the Black Sea port of Constanța, as described under "*Business—Export Terminals—Partner Terminals*". In addition, in October 2024, Global Grain International, a subsidiary of the Group, signed a sale and purchase agreement to acquire Frial SA, which operates as a storage and handling services provider in the port of Constanța. See "*Recent Developments*".

Silo services

The Group operates the largest grain silo network in Moldova (consisting of 13 inland silo storage facilities), one storage facility in Romania, and 32 storage facilities in Serbia with an aggregate storage capacity of over 1 million tonnes across its inland storage facilities, ports and crushing and refining plants. The Group also provides grain handling, trans-shipment and storage services to third parties. The Group's storage, cleaning, drying and trans-shipment services and sale of other products generated external revenue of U.S.\$17,108 thousand in FY 2023/24, as compared to U.S.\$9,115 thousand in FY 2022/23.

Grain and oil export terminals

The Group operates two grain terminals and one oil terminal located at the Giurgiulesti port in Moldova, two grain terminals at the Reni port in Ukraine and two grain terminals at Bačka Palanka and Pančevo, Serbia. The Group's Giurgiulesti port facility is the only grain and oil seagoing export facility in the south of Moldova. It has two grain terminals and one oil terminal, with a trans-shipment capacity of 1,600 thousand tonnes per year, representing 75 per cent. of the country's trans-shipment capacity, according to Company data. The Giurgiulesti facility has a storage capacity of 90 thousand tonnes in vertical bins allowing it to handle trans-shipment of up to 6,000 tonnes of commodities per day. The Danube Oil crushing plant at Giurgiulesti in Moldova, which the Group completed construction of and started operating

in September 2022 has production capacity of 700 tonnes of premium organic sunflower seeds per day. The Group's Reni port facility is one of the major seagoing export facilities in the south-western part of Ukraine with a trans-shipment capacity of approximately 800 thousand tonnes per year. The Reni facility has a storage capacity of 73 thousand tonnes in vertical bins allowing it to handle delivery of up to 3,000 tonnes of grains per day. The Group's Bačka Palanka and Pančevo facilities are the major seagoing export facilities in Serbia with a trans-shipment capacity of approximately 2,000 thousand tonnes per year. The Bačka Palanka and Pančevo facility has a storage capacity of 70 thousand tonnes in vertical bins allowing it to handle delivery of up to 6,500 tonnes of grain per day.

Factors Affecting Results of Operations

The Group's results of operations are primarily affected by the following factors:

Weather conditions in the CEE region

The Group's business depends on its ability to originate commodities in a timely manner, on commercially acceptable terms and in sufficient quantities to export them or use them to produce vegetable oil at the Group's facilities. Climate directly impacts crop yields and may reduce the availability of seeds and grain used by the Group for export or processing at the Group's crushing plants. Any reduction in the availability of these commodities due to weather-related factors could adversely affect the Group's revenue, inventories, trade receivables, and other components of working capital. Weather-related factors may also affect the Group's ability to purchase, transport, store, process and sell agricultural commodities.

The State Hydrometeorological Service of Moldova (the "SHS") reports that northern Moldova experiences a drought once every ten years on average, central Moldova once every five to six years, and southern Moldova once every three to four years. However, in the last two decades droughts have been more frequent and have generally been more severe and in certain years lasted the whole vegetative period (April-September). In 2007, 2012, 2020 and 2022, Moldova experienced droughts, which resulted in the overall crop of major agricultural commodities (including wheat, barley, sunflower seeds and corn) being significantly reduced. Droughts will generally have an adverse impact on the volumes of these commodities processed by the Group in the relevant period. The Group's working capital requirements will also generally increase due to higher commodity prices in times of drought.

Commodity prices

The Group's primary business is the origination and sale of agricultural commodities (primarily, corn, wheat, barley and sunflower seeds) and the sale of vegetable oil and related products produced from sunflower seeds at the Group's crushing plants. The Group purchases commodities at spot prices or enters into forward contracts. The Group benefits from forward purchases as they enable the Group to secure supplies at lower prices than it would have to pay in the spot market. Nearly half of traded volumes of grains and oil seeds supplied via forward purchases. Pursuant to the terms of these forward contracts, in exchange for advance payment and the supply of the necessary fertilisers, seeds and equipment, farmers are required to supply harvested crops at fixed prices. Forward contracts are concluded and the prices for future crops are fixed when a reasonable estimation of future yield can be made based on prevailing weather conditions. For wheat and barley, this time is usually around April, and for sunflower seeds and corn, around June. The Group makes advance payments to and enters into forward contracts with Global Farming, a farming company not related to the Group, which acts as an intermediary and enters into forward contracts and funds other individual farmers. Once the Group has obtained commitments to supply commodities, it reevaluates its open position in each such commodity under every forward contract. On each reporting date, the Group recognises any excess of the prevailing commodity price over the price set forth in the purchase contract with its suppliers as a forward contract on the balance sheet. Commodities purchased from farmers (adjusted for the revaluation of forward contracts) comprise the most significant part of the Group's cost of sales.

Global Farming is a private family-controlled farming company and a major lessee of agricultural land in Moldova. The Group enters into two types of contracts with Global Farming: financing contracts and forward contracts. The Group provides pre-crop financing to Global Farming in the form of interest free advances. The Group transfers advances from the funds that it borrows under its U.S.\$43 million pre-crop facility with the Dutch development bank, FMO. Funds can then be disbursed from the Group's account to Global Farming to certain "captive" farmers, the list of which is agreed between the Group and Global Farming. For each disbursement, Global Farming must present a package of supporting documents (comprising a list of invoices, contracts and categories of expense) confirming that the advance has been properly utilised. The Group assists FMO in reviewing the supporting documents and is entitled to suspend or cancel an advance to Global Farming if the documents submitted are not consistent with the purpose of the advance or are in excess of the agreed budget for pre-crop funding. Forward contracts between the Group and Global Farming have terms of three

to four months in the case of wheat and barley, and five to six months in the case of sunflower seeds and corn. Obligations of Global Farming are secured by the guarantee issued by the holding company of Global Farming group. Pursuant to the terms of the forward contracts between Global Farming and the Group and the corresponding forward contracts between Global Farming and the farmers, only an insignificant margin remains at the level of Global Farming. No other fees or commissions are payable by the Group to Global Farming. Global Farming derives most of its revenue from the supply of fertilisers and leasing of farming machinery to farmers and by providing other agricultural services. Using Global Farming as an intermediary helps the banks decrease their credit risk, as they consider Global Farming to have a positive credit profile, whereas remitting funds directly to smaller farmers is riskier.

Prices in forward supply contracts are directly linked to global commodity prices. Accordingly, fluctuations in global commodity prices can have a significant impact on the Group’s performance. Commodity prices are dependent on CEE regional and global macroeconomic conditions that are beyond the Group’s control or ability to influence. The Group benefits from the diversification of its customer base by exporting agricultural commodities and organic products to EU countries, Türkiye, the UAE and CIS countries, although fluctuations in global commodity prices directly affect prices in those regions. As a further mitigant, the Group aims to limit the periods between entering into forward contracts with farmers and entering into forward supply contracts with customers to reduce the period of exposure to fluctuations of global prices.

Macroeconomic and geopolitical conditions in the CEE region

Moldova

Moldova is a well-diversified economy with a strong focus on agriculture, which accounted for 7.6 per cent. of GDP in 2023. Moldova’s total population is approximately 2.5 million and GDP was U.S.\$17.1 billion in 2023. Real GDP growth was 1.0 per cent., (5.0) per cent. and 13.9 per cent. in 2023, 2022 and 2021, respectively, according to the IMF. The IMF is forecasting that real GDP in Moldova will grow by 2.6 per cent. in 2024 and 4.8 per cent. in 2025. Moldova’s GDP growth rates are comparable with those of its regional peers. The IMF is forecasting real GDP growth of 3.2 per cent., 2.8 per cent., 2.5 per cent., 3.7 per cent., 2.7 per cent., 3.5 per cent. and 3.0 per cent. in Ukraine, Romania, Bosnia, Montenegro, North Macedonia, Serbia and Croatia, respectively, in 2024. Moldova has a prudent monetary policy, with inflation targeting within the corridor of 5 per cent. +/- 1.5 per cent. Inflation was 4.2 per cent., 30.2 per cent., and 13.9 per cent. in 2023, 2022 and 2021, respectively, according to the NBM.

Moldova’s transparency has also been improving over the last decade. According to the World Bank’s “Ease of Doing Business 2020” ranking, Moldova is ranked 48, moving up 46 positions since 2010.

The following table sets forth certain macroeconomic data for Moldova for the years 2021 to 2023 and a forecast for 2024 and 2025:

	2021	2022	2023	2024 (F)	2025 (F)
Population, million (year-end)	2.6	2.5	2.5	2.5	2.4
Real GDP growth year-on-year (%)	13.9	(5.0)	1.0	2.6	4.8
GDP per capita (U.S. dollars)	5,290	5,730	6,830	7,490	8,390

Source: IMF

The Group’s business is dependent on the overall condition of the Moldovan economy to a large extent as its principal business activities are carried on within the territory of Moldova and the Group sells some of its vegetable oil on the Moldovan market. An increase in demand from retail consumers is likely to result in an increase in the Group’s revenue, and in particular, revenue from sales of bottled oil. The Group is able to shift its focus between business segments and focus on higher margin products, as market prices for commodities or refined products vary. When demand for refined products is high, the Group shifts sales from sunflower seeds towards bottled oil produced at the Group’s crushing plants, as it typically generates higher margins than other products. A decrease in demand from retail customers in Moldova, however, is likely to have a limited effect on the Group’s revenue, as the majority of the Group’s sales revenue derives from exports to EU countries, Türkiye, the UAE, and North Africa.

Moldova is undergoing integration with the EU. It signed an Association and Free Trade Agreement with the EU in 2014, which came into force in 2016, establishing a free trade area regime with the EU, including a zero-levy export regime for agricultural produce based on renewed export quotas. Management believes that the EU association agreement will drive both increased trade with the EU and economic growth in Moldova, including support for the agricultural sector, modernisation of transport infrastructure and reform of government institutions. Further, following an application by

Moldova to accede to the EU in March 2022, it was officially granted candidate status by the EU on 22 June 2022. Moldova has set a target date of 2030 for EU accession.

Romania

The Group's Tandarei crushing plant is located in Romania and hence the Group's results of operations will be affected to a degree by macroeconomic conditions in Romania. Romania had a population of 19.0 million and GDP of U.S.\$370.0 billion in 2023. Real GDP growth was 2.1 per cent., 4.6 per cent. and 5.7 per cent. in 2023, 2022 and 2021, respectively, according to the IMF. The IMF is forecasting average GDP growth of 2.8 per cent. in 2024, and 3.6 per cent. in 2025, respectively.

Agriculture represented 3.9 per cent. of Romania's GDP in 2023, according to the National Bureau of Statistics of Romania. The main resources and agricultural production in Romania include cereals, sugar beets and potatoes. However, production remains very low in comparison with the country's potential capacity (more than one-third of its land is arable). The manufacturing sector contributed 14.0 per cent. of Romania's GDP in 2023. Due to cheap labour, its manufacturing sector is competitive. Historically, manufacturing companies and the industrial sector have been the backbone of Romania's economy. For this reason, FDI is concentrated in heavy industry, the manufacturing of vehicle parts, building and construction, petroleum refining and textiles. The technology sector has also been growing rapidly in recent years, due to the emergence of a highly qualified workforce which is lower cost compared to the European average.

The following table sets forth certain macroeconomic data for Romania for the years 2021 to 2023 and a forecast for 2024 and 2025:

	2021	2022	2023	2024 (F)	2025 (F)
Population, million (year-end)	19.2	19.0	19.0	18.9	18.8
Real GDP growth year-on-year (%)	5.7	4.6	2.1	2.8	3.6
GDP per capita (U.S. dollars)	14,900	15,820	18,180	19,530	20,690

Source: IMF

Ukraine

The Group has substantial operations in Ukraine, including both origination and marketing operations and its Reni port facility, which is one of the major seagoing export facilities in the south-western part of Ukraine with a trans-shipment capacity of approximately 800 thousand tonnes per year. In FY 2023/24, 53 per cent. of the Group's origination and marketing revenue was attributable to Ukraine based on the origin of sourcing.

In terms of origination and marketing, Ukraine is considered an attractive source of agricultural products for the Group from a cost perspective, both due to the proximity to its operations as well as the logistics network available to it. Most of the farms from which the Group originates agricultural products are located in Western Ukraine, where disruption from the war has been relatively limited. Nevertheless, were there to be an escalation in military activities in Western Ukraine, the Group believes that it would be able to re-route its origination activities to other countries such as in South America. In 2021, for example, when there was a severe drought in Moldova, it was able to pivot its origination activities to South America in order to limit the adverse impact on its operations.

In terms of the Group's transportation of agricultural products, the Group has experienced drone attacks at its Reni port facilities, although this did not adversely affect its operations. The Group's Reni grain terminals have sustained no damages and operated normally during FY 2023/24, FY 2022/23 and FY 2021/22. If, however, the Group were to experience damage to its Reni port facilities, it believes that it would be able to re-route the shipment of Ukrainian agricultural products to land and river transportation relatively quickly.

In terms of indirect impact of the war in Ukraine on the Group's operations, in 2022, as a result of the Russian full-scale invasion, Ukraine's GDP fell by almost 30 per cent. Ukraine continues to experience severe economic instability as a direct consequence of the Russian military aggression against Ukraine, now in its third year. This war has inflicted losses on both the population and the economy and created a highly uncertain environment affecting all spheres of life in Ukraine. A large share of Ukraine's productive capacity and infrastructure has been devastated by the Russian military attacks. Increased defence expenditures, coupled with a significant decrease in the economic activity, have led to a projected budget deficit of 19.4 per cent. of GDP for 2025, compared to just 3.8 per cent. in 2021. The government is expected to require approximately U.S.\$40 billion of external funds to address this deficit. While recent assessments indicate resilience and some signs of recovery, the overall economic performance is still significantly compromised, with Ukraine's GDP approximately 25 per

cent. below pre-war levels. According to various forecasts, Ukraine's GDP would reach its pre-war level not earlier than in 2030, with the intensity and duration of the Russian aggression remaining the major source of forecasted uncertainty.

See also “*Risk Factors — Risks Relating to the Group’s Business — The Group’s operations may be directly impacted by the war in Ukraine, including through attacks on the Group’s port facilities, interference with the transport of agricultural products, the impact on the Group’s origination activities in Ukraine and/or other unforeseen impacts*” and “*Risk Factors — Risks Relating to Ukraine*”.

Other CEE countries

In December 2020, the shareholders of the Group acquired VictoriaOil. VictoriaOil was controlled by and, for financial reporting purposes, consolidated into the Group in 2021. The shares of VictoriaOil continue to be held by the shareholders of the Group in trust for the benefit of the Group. The Group has begun the process of completing the formal transfer of legal title to such shares from the shareholders to Trezeme Limited (an entity which is a member of the Group). An application will be made to the relevant authorities by 30 November 2024 for the registration of the transfer of the shares and the transfer is expected to be completed by 31 December 2024. Irrespective of the completion of the transfer, VictoriaOil is a Subsidiary of the Group for purposes of the Conditions and will be subject to the restrictions thereunder upon issuance of the Notes (see “—*Terms and Conditions of the Notes*”). VictoriaOil is one of Serbia’s leading agri-business companies and one of the largest producers and exporters in both Serbia and the region. VictoriaOil sells its products in its home market of Serbia, as well as through exports to Austria, Slovakia, Italy, the Netherlands, Slovenia, Hungary, Greece, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, Albania, the Czech Republic, Türkiye, Germany and the United Kingdom.

In December 2021, the Group acquired two grain terminals at Bačka Palanka and Pančevo, Serbia. The Group’s Bačka Palanka and Pančevo facilities are the major seagoing export facilities in Serbia with a trans-shipment capacity of approximately 2,000 thousand tonnes per year. Also, the Group acquired the largest grains and logistics business in Serbia, with a chain of 33 silos with a total storage capacity of over 300 thousand tons.

The following table sets forth certain macroeconomic data for certain CEE countries for the periods indicated:

	2021	2022	2023	2024 (F)	2025 (F)
Serbia					
Population, million (year-end)	6.8	6.7	6.6	6.6	6.6
Real GDP growth year-on-year (%)	7.7	2.5	2.5	3.5	4.5
GDP per capita (U.S. dollars)	9,190	9,540	11,330	12,380	13,320
Croatia					
Population, million (year-end)	3.9	3.9	3.8	3.8	3.8
Real GDP growth year-on-year (%)	13.8	6.3	2.8	3.0	2.7
GDP per capita (U.S. dollars)	17,820	18,580	21,350	22,970	24,110
Bosnia					
Population, million (year-end)	3.5	3.5	3.5	3.5	3.5
Real GDP growth year-on-year (%)	7.4	4.2	1.8	2.5	3.0
GDP per capita (U.S. dollars)	6,800	7,060	7,860	8,420	8,930
Montenegro					
Population, million (year-end)	0.6	0.6	0.6	0.6	0.6
Real GDP growth year-on-year (%)	13.0	6.4	6.0	3.7	3.0
GDP per capita (U.S. dollars)	9,440	9,860	11,700	12,650	13,360
North Macedonia					
Population, million (year-end)	1.8	1.8	1.8	1.8	1.8
Real GDP growth year-on-year (%)	4.5	2.2	1.0	2.7	3.7
GDP per capita (U.S. dollars)	7,600	7,500	8,150	8,850	9,520

Sources: IMF

The following table below sets out the structure of the GDP of Serbia, Romania and Moldova in 2023.

Sector	Serbia	Romania	Moldova
Wholesale & Retail	10.4%	18.6%	15.2%
Manufacturing	14.0%	14.0%	8.0%
Social & Governance	17.1%	14.5%	16.3%
Agriculture	5.2%	3.9%	7.6%
Real Estate	6.2%	8.7%	9.0%
IT	6.1%	7.0%	6.5%
Other	41.0%	33.3%	37.4%

In 2023, the share of the agricultural sector in the economies of Croatia, Bosnia, Montenegro, Ukraine and North Macedonia was 3.0 per cent., 4.3 per cent., 5.6 per cent., 7.4 per cent. and 7.0 per cent., respectively.

Taxation

The Group benefits from the favourable tax regime applicable in the GIFP. Entities of the Group that are registered as GIFP residents are exempted from VAT and excise taxes on goods and services sold within the GIFP. Corporate income tax for the Group’s entities in the GIFP is reduced by 50 per cent. (to a tax rate of 6 per cent.) until 2030, as Group entities qualify under the criteria set out by the Government on minimum investment in the GIFP. Until recently, Moldovan tax legislation did not contain specific transfer pricing provisions. Starting from 1 January 2024, the Moldovan Tax Code was amended to include additional rules and procedures regarding transfer pricing and there is an ongoing process of implementing such provisions in practice. Approximately 50 per cent. of the Group’s revenue is generated by GIFP residents. As a result, in FY 2023/24, FY 2022/23 and FY 2021/22, the effective tax rate of the Group was 22.5 per cent., 20.1 per cent. and 11.1 per cent., respectively (see “*Risk Factors—The Group may cease to benefit from a favourable tax regime*”).

The Group’s trading company, TOI Commodities SA, is registered under the laws of Switzerland. The statutory corporate income tax rate in Switzerland is 14 per cent. Certain types of TOI Commodities SA’s expenses, such as interest expenses, selling, general and administrative expenses, accruals for bad debt provision or obsolete inventory, up to certain thresholds, decrease TOI Commodities SA’s income tax base. In FY 2023/24, the Company allocated its net trading margin (the “**NTM**”, being the Group’s consolidated gross profit less consolidated selling and distribution costs and interest expense) between TOI Commodities SA and Moldovan entities. Allocation of gross profit and selling and distribution costs was based on the average market values of NTM of sellers of agricultural commodities. Average market values were derived by the Group from the report of a “Big Four” company prepared for the Group. Management allocates interest expense under the PCF syndicated facility and the pre-export finance syndicated facility between TOI Commodities SA and Moldovan companies of the Group based on the substance of expenses.

Seasonality and Price Fluctuations

Changes in commodity prices during agricultural seasons can affect the Group’s results. The Group’s storage facilities, including elevators, which are primarily used to store grain such as wheat and sunflower seeds, enable it to mitigate the impact of seasonal price fluctuations by spreading the sale of grain harvests over a more extended period, including times when prices are typically at their peak.

Interest rates

During the periods under review, the Group’s interest expenses increased significantly due to higher SOFR and/or other rates, driven by steep rate hikes by the Federal Reserve and the European Central Bank (the “**ECB**”). Virtually all outstanding financial debt carries variable interest rates, and accordingly when the Federal Reserve and ECB increased their base rates, it directly impacted the Group’s interest costs. Going forward, the Group expects these rates to decrease, which would have a favourable impact on its interest expenses.

Fluctuations in currency exchange rates

The majority of the Group’s revenues are denominated in U.S. dollars, which is also the Group’s presentation and functional currency. According to the Consolidated Financial Statements, sales of grains and seeds and their products, which constituted 52.7 per cent. of the Group’s revenue in FY 2023/24, respectively, are based on global commodity prices

that are U.S. dollar denominated. Other currencies in which the Group entities operate, being the Moldovan Lei (MDL), Swiss Franc (CHF), Euro (EUR) and Ukrainian Hryvnia (UAH), are treated as foreign currencies.

Although the majority of the Group's facilities are located in Moldova, its principal operating expenses, such as cost of goods sold, freight expenses and depreciation, are denominated in U.S. dollars. A certain part of its salary and payroll expenses are denominated in MDL. An increase in the exchange rate of the U.S. dollar against the MDL and other foreign currencies will tend to lead to an increase in the Group's operating profit. A decrease in the exchange rate of the U.S. dollar against the MDL and other foreign currencies will tend to lead to a moderate increase in the Group's operating expenses and a decrease in operating profit. Following significant depreciation in 2022 in the aftermath of the Russian invasion of Ukraine, the MDL exchange rate began to stabilise in 2023 and has been less volatile in recent periods.

As of 30 June 2024, the Group held U.S.\$958.8 thousand of derivative instruments to hedge against foreign currency risk fluctuations.

Substantially all of the Group's borrowings are denominated in U.S. dollars, Euros and Swiss francs. As of 30 June 2024, 46.9 per cent. of the Group's borrowings were denominated in U.S. dollars and 33.6 per cent. in Euros, and 17.6 per cent. in Swiss francs. Given the limited share of Swiss francs and Euro denominated borrowings, changes in the exchange rate of the Euro and Swiss francs against the U.S. dollar are likely to have a limited effect on the Group's interest expenses.

Between FY 2020/21 and FY 2023/24, the exchange rate of the MDL against the U.S. dollar fluctuated between MDL16.4 and MDL19.5 per U.S.\$1. See "*Exchange Rate Information*".

Inflation

The Group's revenue and operating costs have been and will continue to be affected by inflation in Moldova, which during the period under review has experienced higher levels of inflation than in more developed countries. Moldova has a prudent monetary policy, with inflation targeting within the corridor of 5 per cent. +/- 1.5 per cent. Inflation was 4.2 per cent., 30.2 per cent., and 13.9 per cent. in 2023, 2022 and 2021, respectively, according to the NBM. The Group generally benefits from a higher level of inflation, as its expenses in real terms tend to decline with nominal increases in prices and the Group's revenue is tailored to export revenues, of which only a fraction is denominated in MDL.

Description of Key Operating and Financial Items

The following is a description of the Group's key operating and financial items. For more information on the accounting policies on the basis of which the Consolidated Financial Statements are prepared, see notes to the Consolidated Financial Statements included elsewhere in this Information Memorandum.

Revenue

The Group derives most of its revenue from the following business lines:

- *Sale of agricultural commodities.* The Group sells corn, wheat, sunflower seeds and other agricultural commodities on the global commodities market. In FY 2023/24, approximately 17.7 per cent. (by value and by weight) of commodities sold by the Group were originated in Moldova.
- *Sale of sunflower oil, packed vegetable oil and oil meal.* The Group processes a substantial part of the sunflower seeds that it purchases at the Group's crushing plants into sunflower oil and oil meal and exports it or sells to the local market.
- *Storage, processing and trans-shipment services.* A relatively minor part of the Group's revenue is derived from providing storage, processing and trans-shipment services to farmers and agricultural companies in Moldova. Revenue is measured at contractual rates based on the storage period.

Cost of Sales

Substantially all of the Group's cost of sales consist of costs of agricultural commodities purchased by the Group for further resale or processing at the Group's crushing plants. According to the Consolidated Financial Statements, the cost of agricultural commodities purchased for further resale comprised 97.1 per cent., 97.1 per cent. and 97.9 per cent. of the Group's cost of sales for FY 2023/24, FY 2022/23, FY 2021/22, respectively. Other components of the Group's cost of sales include:

- *Depreciation*, which consists of depreciation of the Groups' property, plant and equipment that is directly involved in the processing, storage and transportation of agricultural commodities and oil products. The main assets of the Group include three crushing plants, seven elevators and the Group's facilities at the Reni and Giurgiulesti ports. Generally, depreciation is calculated on a straight-line basis. Depreciation in respect of the Group's port facilities and certain other assets is calculated based on the usage of these facilities.
- *Wages and salaries*, which consist of salaries paid to employees engaged in processing grains and seeds. Social contributions related to the salaries of such employees are also included in cost of sales.
- *Other expenses* include expenses in relation to water, gas and electricity, port services, packing, utilities and other costs and expenses.

Selling and distribution expenses

Selling and distribution expenses primarily consist of freightage, transportation expenses, loading services, railroad expenses, wages and salaries of employees associated with selling and distribution activities, depreciation and marketing expenses. Freightage expenses relate to the transportation of goods by sea vessels; costs related to transportation by semi-trailer trucks are recorded as "transportation expenses". Depending on the type of contractual arrangements, the Group may record transportation expenses as part of its cost of sales or selling and distribution expenses. Generally, when the Group purchases commodities on a CPT basis, it incurs a lower level of selling expenses as these commodities are delivered to a destination where the Group's customer can receive them. However, prices of commodities delivered on a CPT basis are usually higher, and as a result, relevant transportation expenses are recorded as cost of sales. By contrast, purchase prices for commodities delivered on a FOB basis are usually lower, but the Group bears all costs attributable to delivery to its customer. The composition of the Group's contracts with different delivery terms fluctuates from time to time. Accordingly, the same transportation expenses can be recorded as part of cost of sales or selling and distribution expenses depending on the delivery terms while the economic effect for the Group remains the same.

Administrative expenses

Administrative expenses primarily consist of payroll for corporate and administrative employees, taxes (excluding income tax), services of professional organisations (such as legal or auditors' fees), depreciation of office and administration buildings, travelling and accommodation expenses.

Other gains / (losses), net

Other operating income / (expenses), net, primarily consists of gains and losses on disposal of fixed assets and other assets, depreciation of miscellaneous property, plant and equipment not included in other types of expenses, inventory write-offs and other operations.

Other income

Other income primarily includes income incidental to the Group's core activity, such as stock count surplus, profit on sale of current assets and gains from writing off trade payables.

Net finance costs

Net finance costs primarily include interest expense incurred on the Group's borrowings, commissions under loan agreements, foreign exchange gains or losses and charges for bank services.

Results of operations for the year ended 30 June 2024 compared to the year ended 30 June 2023

The following table sets forth each of the Group's statements of profit or loss line items for the year ended 30 June 2024 and 2023 in absolute terms and as a percentage of revenue:

	Year ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Revenue.....	2,309,707	100%	2,134,338	100%
Cost of sales	(1,919,740)	83%	(1,774,746)	83%
Gross profit.....	389,967	17%	359,592	17%
Other income	8,562	–	10,410	–
Selling and distribution costs.....	(173,043)	7%	(175,202)	8%
General and administrative expenses	(28,949)	1%	(25,801)	1%
Other losses - net.....	(8,987)	–	(9,305)	–
Operating profit.....	187,551	8%	159,694	7%
Net finance costs	(98,090)	4%	(67,857)	3%
Profit before tax.....	89,460	4%	91,837	4%
Income tax expense	(21,843)	1%	(18,438)	1%
Profit for the year	67,617	3%	73,399	3%

Revenue

During the year ended 30 June 2024, the Group's revenue increased by 8.2 per cent., from U.S.\$2,134,338 thousand for the year ended 30 June 2023 to U.S.\$2,309,707 thousand for the year ended 30 June 2024. This increase primarily resulted from an increase in sales of a number of the Group's products: a 24.3 per cent. increase in sales of vegetable oil, an 8.3 per cent. increase in sales of grain and seeds and an 87.7 per cent. increase in port, storage, cleaning and drying services. The increase in the Group's revenue was primarily driven by a rebound in crop yields in the CEE region in summer 2023 compared to summer 2022, a season with dry, suboptimal weather conditions.

The following table presents revenue by product type and service for the years ended 30 June 2024 and 2023:

	Years ended 30 June	
	2024	2023
	(in U.S.\$ thousands)	
Sales of grains and seeds.....	1,217,092	1,124,172
Sales of vegetable oil.....	813,190	654,245
Sales of oil meal.....	174,308	212,947
Sales of packed vegetable oil	68,377	96,410
Port, Storage, Cleaning and Drying Services	17,108	9,115
Sale of other products.....	19,632	37,449
Total.....	2,309,707	2,134,338

The following table presents the Group's revenue from sales of grains, seeds, vegetable oil, oil meal and other products by destination of export sales for the years ended 30 June 2024 and 2023:

	Year ended 30 June			
	2024		2023	
	(in tonnes)	(in U.S.\$ thousands)	(in tonnes)	(in U.S.\$ thousands)
European Union.....	1,154,489	524,646	963,083	542,201
Middle East and North Africa (MENA)	2,012,714	772,891	1,672,343	742,255
Asia	543,336	130,325	415,990	124,128
Türkiye	848,395	335,329	471,515	212,647
India.....	297,397	282,645	210,664	262,519
Serbia.....	433,732	226,239	N/A	N/A
Republic of Moldova.....	32,537	34,375	11,310	19,319
Other countries ⁽¹⁾	1	3,257	320,063	231,269
Total.....	5,322,599	2,309,707	4,064,968	2,134,338

(1) Other countries revenue in FY 2022/23 includes the Group's revenue from export sales of grains, seeds, vegetable oil, oil meal and other products in Serbia.

The following table presents the Group's revenue from sales of grains, seeds, vegetable oil and oil meal for the years ended 30 June 2024 and 2023 by types of commodities:

	Year ended 30 June					
	2024			2023		
	(in tonnes)	(in U.S.\$/tonne)	(in U.S.\$ thousands)	(in tonnes)	(in U.S.\$/tonne)	(in U.S.\$ thousands)
Vegetable oil	854,590	952	813,190	502,313	1,302	654,245
Sunflower seeds	460,701	535	246,443	318,763	605	192,785
Wheat	975,617	243	237,041	634,797	337	213,627
Corn.....	1,226,493	247	302,725	1,139,560	314	357,263
Packed vegetable oil.....	56,929	1,201	68,377	64,415	1,497	96,410
Oil meal.....	472,954	316	149,308	500,571	323	161,483
Rapeseed	209,021	482	100,756	215,663	619	133,500
Barley	648,574	229	148,379	467,693	340	159,082
Soya.....	366,700	496	181,747	127,534	533	67,913
Soybean meal	51,020	490	25,000	93,659	549	51,464
Total.....	5,322,600		2,272,967	4,064,968		2,087,774
Port, Cleaning, Drying Services and Storage services and other products	-		36,740	-		46,564
Total	5,322,600		2,309,707	4,064,968		2,134,338

Sales of grains and seeds increased by 8.3 per cent. from U.S.\$1,124,172 thousand in the year ended 30 June 2023 to U.S.\$1,217,092 thousand in the year ended 30 June 2024. The increase was primarily caused by an increase in the volume of commodities sold in the year ended 30 June 2024, as compared to the year ended 30 June 2023, due to a rebound in crop yields across the CEE region.

Sales of vegetable oil increased by 24.3 per cent. from U.S.\$654,245 thousand in the year ended 30 June 2023 to U.S.\$813,190 thousand in the year ended 30 June 2024. Sales of packed vegetable oil decreased by 29.1 per cent. from U.S.\$96,410 thousand in the year ended 30 June 2023 to U.S.\$68,377 thousand in the year ended 30 June 2024. The increase in sales of vegetable oil was primarily attributable to sales of traded vegetable oil in the context of the Group's origination and marketing activities, before the entry into force of the import licensing mechanism. See "Business—Regulatory Compliance—Import Licensing Mechanism" and "Risk Factors—Risks Relating to Moldova—The commodity import licensing mechanism adversely impacts the Group's crushing and refining operations".

Cost of sales

The following table presents cost of sales by category for the years ended 30 June 2024 and 2023.

	Year ended 30 June	
	2024	2023
	(in U.S.\$ thousands)	
Cost of goods sold.....	1,864,722	1,722,434
Depreciation	15,316	14,085
Water, gas and electricity	7,057	6,470
Wages and salaries	10,031	9,568
Port services	2,480	2,878
Rent.....	1,458	1,275
Other expenses ⁽¹⁾	18,676	18,036
Total.....	1,919,740	1,774,746

(1) Including consumables, transportation, packing materials, social contributions, fuel, maintenance, materials and other expenses.

During the year ended 30 June 2024, cost of goods sold increased by 8.3 per cent., from U.S.\$1,722,434 thousand for the year ended 30 June 2023 to U.S.\$1,864,722 thousand for the year ended 30 June 2024. This increase primarily resulted from an increase in the volumes of commodities sold by the Group in the year ended 30 June 2024, as compared to the year ended 30 June 2023.

During the year ended 30 June 2024, depreciation increased by 8.7 per cent., from U.S.\$14,085 thousand for the year ended 30 June 2023 to U.S.\$15,316 thousand for the year ended 30 June 2024. This increase primarily resulted from

additions to property, plant and equipment, as well as higher fair value of property, plant and equipment as a result of a valuation performed during the year.

Expenses on wages and salaries increased by 4.8 per cent. from U.S.\$9,568 thousand for the year ended 30 June 2023 to U.S.\$10,031 thousand for the year ended 30 June 2024. This increase primarily resulted from an increase in the minimum wage in Moldova from MDL 4,000 per month to MDL 5,000 per month effective 1 January 2024.

Gross Profit

As a result of the above, the Group's gross profit increased by 8.4 per cent. from U.S.\$359,592 thousand for the year ended 30 June 2023 to U.S.\$389,967 thousand for the year ended 30 June 2024, and the gross profit margin increased from 16.8 per cent. for the year ended 30 June 2023 to 16.9 per cent. for the year ended 30 June 2024.

Selling and Distribution Costs

Selling and distribution costs for the year ended 30 June 2024 decreased by 1.2 per cent., from U.S.\$175,202 thousand for the year ended 30 June 2023 to U.S.\$173,043 thousand for the year ended 30 June 2024. The following table presents a breakdown of selling and distribution costs for the year ended 30 June 2024 and 2023.

	Years ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Freightage expenses.....	95,565	4%	86,865	4%
Transportation.....	26,254	1%	34,988	2%
Railroad expenses.....	4,374	–	3,497	–
Wages and salaries.....	3,987	–	3,241	–
Credit loss allowance under IFRS 9.....	(4,768)	–	734	–
Inspections and surveys.....	2,527	–	2,642	–
Demurrage expenses.....	6,266	–	7,959	–
Loading expenses.....	11,012	–	10,500	–
Depreciation.....	5,276	–	3,139	–
Other expenses ⁽¹⁾	22,550	1%	21,637	1%
Total	173,043	7%	175,202	8%

(1) Including other commercial services, certification and expertise, custom duties, packing expenses, storage services, marketing services, social contribution, insurance expenses, brokerage expenses and other selling and distribution expenses.

Freightage expenses for the year ended 30 June 2024 increased by 10.0 per cent. from U.S.\$86,865 thousand for the year ended 30 June 2023 to U.S.\$95,565 thousand for the year ended 30 June 2024. The increase primarily resulted from an increase in the volumes of commodities sold by the Group.

Transportation expenses for the year ended 30 June 2024 decreased by 25.0 per cent. from U.S.\$34,988 thousand for the year ended 30 June 2023 to U.S.\$26,254 thousand for the year ended 30 June 2024. The decrease was primarily due to lower transportation costs for truck deliveries, as well as for river and sea-going vessel charters, as the delivery terms changed (e.g., more FOB and less CIF/CFR).

Railroad expenses increased for the year ended 30 June 2024 by 25.1 per cent. from U.S.\$3,497 thousand for the year ended 30 June 2023 to U.S.\$4,374 thousand for the year ended 30 June 2024. The increase was primarily attributable to an overall increase in sales volumes of grains and seeds in the year ended 30 June 2024.

Loading expenses for the year ended 30 June 2024 increased by 4.9 per cent. from U.S.\$10,500 thousand for the year ended 30 June 2023 to U.S.\$11,012 thousand for the year ended 30 June 2024. The increase was primarily attributable to an increase in the volume of commodities sold through the Group's and third parties' terminals.

Wages and salaries of Group employees involved in sales increased by 23.0 per cent. from U.S.\$3,241 thousand for the year ended 30 June 2023 to U.S.\$3,987 thousand for the year ended 30 June 2024. This increase was primarily driven by higher wages, reflecting the Group's response to inflationary pressures in the jurisdictions where it operates. The adjustment ensured that compensation remained competitive and aligned with market conditions, allowing the Group to retain talent and maintain performance amid rising living costs.

Depreciation increased by 68.1 per cent. from U.S.\$3,139 thousand for the year ended 30 June 2023 to U.S.\$5,276 thousand for the year ended 30 June 2024. The increase was primarily attributable to fair value gains on trans-shipment fixed assets, such as port terminals, recognized in fourth quarter of FY 2022/23, with the effect starting from first quarter of FY 2023/24.

Administrative expenses

Administrative expenses for the year ended 30 June 2024 increased by 12.2 per cent., as compared to the year ended 30 June 2023. The following table presents a breakdown of administrative expenses for the year ended 30 June 2024 and 2023.

	Years ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Wages and salaries.....	12,707	1%	11,553	1%
Social contributions.....	2,888	–	2,427	–
Taxes.....	822	–	2,301	–
Legal and consulting expenses.....	2,741	–	1,562	–
Depreciation.....	1,948	–	1,154	–
Travelling and accommodation.....	2,541	–	1,809	–
Other administrative expenses ⁽¹⁾	5,302	–	4,995	–
Total	28,949	1%	25,801	1%

(1) Including bank expenses, entertainment and representation expenses, audit fees, maintenance, rent, telephone and postage, survey expenses, fuel, insurance expenses, notary's fees and other administrative expenses.

Social contributions increased by 19.0 per cent. from U.S.\$2,427 thousand for the year ended 30 June 2023 to U.S.\$2,888 thousand for the year ended 30 June 2024. The increase was primarily due to the rise in administrative personnel wages, along with the associated social contributions.

Wages and salaries and taxes recorded as part of administrative expenses decreased by 2.3 per cent. from U.S.\$13,854 thousand in the year ended 30 June 2023 to U.S.\$13,529 thousand in the year ended 30 June 2024. Although wages and salaries increased by 9.98 per cent. from U.S.\$11,553 thousand in the year ended 30 June 2023 to U.S.\$12,707 thousand in the year ended 30 June 2024, taxes decreased by 64.27 per cent. from U.S.\$2,301 thousand to U.S.\$822 thousand respectively.

Other losses - net

Other losses - net decreased by 3.4 per cent. during the year ended 30 June 2024 from U.S.\$9,305 thousand losses for the year ended 30 June 2023 to U.S.\$8,987 thousand losses for the year ended 30 June 2024. The following table presents a breakdown of other losses for the year ended 30 June 2024 and 2023.

	Years ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Depreciation.....	2,312	–	1,947	–
Inventory write off.....	590	–	309	–
Wages and salaries.....	994	–	664	–
Other (income)/expenses ⁽¹⁾	5,091	–	6,385	–
Total	8,987	–	9,305	–

(1) Including loss/(gain) on disposal of fixed assets, impairment of assets, rent expenses, fines and claims, tax expenses, profit/(loss) from sale of other inventories, social contributions, repair and maintenance and other (income)/expenses.

Depreciation increased by 18.7 per cent. from U.S.\$1,947 thousand for the year ended 30 June 2023 to U.S.\$2,312 thousand for the year ended 30 June 2024. The increase was primarily due to valuation gains on other property, plant, and equipment carried out in the fourth quarter of FY 2022/23, which resulted in higher depreciation charges.

Inventory write off increased by 90.9 per cent. from U.S.\$309 thousand for the year ended 30 June 2023 to U.S.\$590 thousand for the year ended 30 June 2024. The increase was primarily attributable to elevated moisture levels in corn kernels during the harvest. The increased moisture required additional drying to bring the corn to contractually agreed quality standards. This prolonged drying process not only increased operational costs but also led to higher shrinkage losses, as more weight was lost in reducing the moisture content to the specified levels.

Wages and salaries increased by 49.7 per cent. from U.S.\$664 thousand for the year ended 30 June 2023 to U.S.\$994 thousand for the year ended 30 June 2024. The increase was primarily attributable to the high inflationary environment, which drove up salary adjustments to maintain competitiveness and compensate for the rising cost of living. Additionally, the reclassification of certain employee categories to other losses further contributed to the increase, as these roles were previously accounted for under different expense categories.

Other income

The following table presents a breakdown of other income for the year ended 30 June 2024 and 2023.

	Years ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Customers Demurrage.....	609	–	–	–
Proceeds from penalties and claims.....	2,881	–	138	–
Gain from write off of expired trade payables.....	47	–	44	–
Stock count surplus.....	1,475	–	3,127	–
Transportation and other services.....	1,351	–	1,517	–
Reversal of bad debt provision.....	–	–	2,398	–
Other operating income.....	2,199	–	3,186	–
Total	8,562	–	10,410	–

Proceeds from penalties and claims increased by 1987.7 per cent. from U.S.\$138 thousand for the year ended 30 June 2023 to U.S.\$2,881 thousand for the year ended 30 June 2024. The increase was primarily attributable to wash-out payments received from customers who defaulted under sale contract obligations, failing to off-take the contractually agreed volume of goods at the agreed price. These payments were made as compensation for the breach of contract terms, contributing to the rise in proceeds from penalties and claims.

Stock count surplus decreased by 52.8 per cent. from U.S.\$3,127 thousand for the year ended 30 June 2023 to U.S.\$1,475 thousand for the year ended 30 June 2024. The decrease was primarily attributable to the high moisture content in corn kernels, which required additional drying. This process led to a greater shrinkage in surplus stock, as more weight was lost during the moisture reduction to meet the required quality standards.

Net finance costs

The following table presents a breakdown of net finance costs for the year ended 30 June 2024 and 2023.

	Years ended 30 June			
	2024		2023	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Interest expenses.....	39,848	2%	22,028	1%
Loan Commissions.....	6,115	–	7,014	–
Bank Commissions.....	2,665	–	2,124	–
Interest on bonds issued.....	42,250	2%	42,133	2%
Amortization of bonds issued costs.....	2,943	–	2,686	–
Amortization of bond premium.....	(1,224)	–	(1,224)	–
Lease interest expenses.....	1,435	–	1,254	–
Loan interest unwinding.....	1,351	–	1,263	–
Net foreign exchange difference.....	2,707	–	(9,421)	–

Total	98,090	4%	67,857	3%
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Interest expenses increased by 80.9 per cent., from U.S.\$22,028 thousand in the year ended 30 June 2023 to U.S.\$39,848 thousand in the year ended 30 June 2024. Loan commissions decreased by 12.8 per cent., from U.S.\$7,014 thousand in the year ended 30 June 2023 to U.S.\$6,115 thousand in the year ended 30 June 2024. Bank commissions increased by 25.5 per cent., from U.S.\$2,124 thousand in the year ended 30 June 2023 to U.S.\$2,665 thousand in the year ended 30 June 2024. The key driver for the changes in these line items was the overall increase in interest expenses and loan fees and commissions, primarily attributable to higher SOFR and/or other rates, driven by steep rate hikes by the Federal Reserve and the ECB. Virtually all outstanding financial debt carries variable interest rates, and accordingly when the Federal Reserve and ECB increased their base rates, it directly impacted the Group's interest costs.

Net foreign exchange difference changed from a U.S.\$9,421 thousand gain for the year ended 30 June 2023 to U.S.\$2,707 thousand loss for the year ended 30 June 2024. The loss in the year ended 30 June 2024 was primarily caused by the appreciation of the MDL against the U.S. dollar.

Income tax expense

The Group incurred an income tax expense of U.S.\$21,843 thousand for the year ended 30 June 2024 and income tax expense of U.S.\$18,438 thousand for the year ended 30 June 2023. This change was principally attributable to a deferred tax expense of U.S.\$2,140 thousand for the year ended 30 June 2024, as compared to a deferred tax income of U.S.\$1,756 thousand in the year ended 30 June 2023. In FY 2023/24 and FY 2022/23, the effective corporate tax rate of the Group was 22.5 per cent. and 20.1 per cent., respectively, while the nominal corporate tax rate in Moldova is 12 per cent. The difference between the effective income tax rate and the statutory income tax rate in FY 2023/24 and FY 2022/23 was due to the fact that the Group may generate profits in certain jurisdictions and losses in others. However, when calculating the overall corporate tax expenses, the Group accounts for taxes attributable to the profitable jurisdictions, while the losses generated in other jurisdictions reduce the overall profit of the Group but do not offset the corporate income taxes owed in profitable jurisdictions.

Profit for the year

As a result of the foregoing factors, the Group generated a profit of U.S.\$67,617 thousand for the year ended 30 June 2024, as compared to a profit of U.S.\$73,399 thousand for the year ended 30 June 2023.

Results of operations for the year ended 30 June 2023 compared to the year ended 30 June 2022

The following table sets forth each of the Group's statements of profit or loss line items for the year ended 30 June 2023 and 2022 in absolute terms and as a percentage of revenue:

	Year ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Revenue.....	2,134,338	100%	2,675,223	100%
Cost of sales	(1,774,746)	83%	(2,190,134)	82%
Gross profit	359,592	17%	485,091	18%
Other income	10,410	–	16,657	1%
Selling and distribution costs.....	(175,202)	8%	(239,830)	9%
General and administrative expenses	(25,801)	1%	(22,753)	1%
Other (losses) - net	(9,305)	–	(6,939)	–
Operating profit	159,694	7%	232,226	9%
Net finance costs	(67,857)	3%	(65,456)	2%
Profit before tax	91,837	4%	166,773	6%
Income tax expense	(18,438)	1%	(18,439)	1%
Profit for the year	73,399	3%	148,334	6%

Revenue

During the year ended 30 June 2023, the Group's revenue decreased by 20.2 per cent., from U.S.\$2,675,223 thousand for the year ended 30 June 2022 to U.S.\$ 2,134,338 thousand for the year ended 30 June 2023. This decrease primarily resulted from a decrease in sales of a number of the Group's products: a 33.7 per cent. decrease in sales of grains and seeds, a 28.8 per cent. increase in sales of vegetable oil and a 23.6 per cent. increase in sales of other products.

The following table presents revenue by product type and service for the years ended 30 June 2023 and 2022:

	Years ended 30 June	
	2023	2022
	(in U.S.\$ thousands)	
Sales of grains and seeds.....	1,124,171	1,695,321
Sales of vegetable oil.....	654,245	508,031
Sales of oil meal.....	212,947	285,135
Sales of packed vegetable oil	96,410	148,574
Port, Storage, Cleaning and Drying Services	9,115	7,857
Sale of other products.....	37,449	30,307
Total	2,134,338	2,675,225

The following table presents the Group's revenue from sales of grains, seeds, vegetable oil, oil meal and other products by destination of export sales for the years ended 30 June 2023 and 2022:

	Year ended 30 June			
	2023		2022	
	(in tonnes)	(in U.S.\$ thousands)	(in tonnes)	(in U.S.\$ thousands)
European Union.....	963,083	542,201	1,021,158	628,408
Türkiye	471,515	212,647	924,818	335,903
Middle East and North Africa (MENA)	1,672,343	742,255	3,298,372	1,341,889
Asia	626,654	386,647	110,103	47,315
Republic of Moldova.....	11,310	19,319	63,395	38,689
Other countries	320,063	231,269	390,959	283,021
Total	4,064,968	2,134,338	5,808,806	2,675,225

The following table presents the Group's revenue from sales of grains, seeds, vegetable oil and oil meal for the years ended 30 June 2023 and 2022 by types of commodities:

	Year ended 30 June					
	2023			2022		
	(in tonnes)	(in U.S.\$/tonne)	(in U.S.\$ thousands)	(in tonnes)	(in U.S.\$/tonne)	(in U.S.\$ thousands)
Vegetable oil.....	502,313	1,302	654,245	329,963	1,540	508,031
Sunflower seeds.....	318,763	605	192,785	244,341	650	158,771
Wheat.....	634,797	337	213,627	1,756,934	336	589,988
Corn.....	1,139,560	314	357,263	1,668,933	339	565,718
Packed vegetable oil.....	64,415	1,497	96,410	87,762	1,713	148,574
Oil meal.....	500,571	323	161,483	316,978	333	105,575
Rapeseed.....	215,663	619	133,500	111,133	794	88,248
Barley.....	467,693	340	159,082	848,996	307	260,835
Soya.....	127,534	533	67,913	51,902	612	31,761
Soybean meal.....	93,659	549	51,464	333,273	533	177,753
Total.....	4,064,968		2,087,773	5,750,216		2,637,060
Port, Cleaning, Drying Services and Storage services and other products.....	-		46,564	-		38,164
Total.....	4,064,968		2,134,338	5,750,216		2,675,225

Sales of grains and seeds decreased by 33.7 per cent. from U.S.\$1,695,321 thousand in the year ended 30 June 2022 to U.S.\$1,124,172 thousand in the year ended 30 June 2023. The decrease was primarily caused by a decrease in the volume of commodities sold in the year ended 30 June 2023, as compared to the year ended 30 June 2022, which was in turn due to severe drought conditions affecting the regions where the Group sources the majority of its grains and seeds for marketing. The drought led to significantly lower crop yields, resulting in fewer grains and seeds available for trading during the year. Additionally, the soft commodities market was experiencing an adverse pricing trend, which further impacted the U.S. dollar value of sales, compounding the overall decrease.

Sales of vegetable oil increased by 28.8 per cent. from U.S.\$508,031 thousand in the year ended 30 June 2022 to U.S.\$654,245 thousand in the year ended 30 June 2023. Sales of packed vegetable oil decreased by 35.1 per cent. from U.S.\$148,574 thousand in the year ended 30 June 2022 to U.S.\$96,410 thousand in the year ended 30 June 2023. The increase in sales of vegetable oil was primarily attributable to the fact that the Crushing and Refining segment is more resilient to droughts, with a more stable customer base and demand. Additionally, the Group entered into a master off-take agreement with a processing facility in the Odessa region of Ukraine, which allowed the Group to source over 100 thousand tonnes of sunflower seed oil for trading purposes. This strategic agreement contributed significantly to the increase in vegetable oil sales during the period.

Cost of sales

The following table presents cost of sales by category for the years ended 30 June 2023 and 2022.

	Year ended 30 June	
	2023	2022
	(in U.S.\$ thousands)	
Cost of goods sold.....	1,722,434	2,144,719
Depreciation.....	14,085	11,412
Water, gas and electricity.....	6,470	6,403
Wages and salaries.....	9,568	7,346
Port services.....	2,878	2,133
Rent.....	1,275	933
Other expenses ⁽¹⁾	18,036	17,188
Total.....	1,774,746	2,190,134

(1) Including consumables, transportation, packing materials, social contributions, fuel, maintenance, materials and other expenses.

During the year ended 30 June 2023, cost of goods sold decreased by 19.7 per cent., from U.S.\$2,144,719 thousand for the year ended 30 June 2022 to U.S.\$1,722,434 thousand for the year ended 30 June 2023. This decrease primarily resulted from a decrease in the volumes of commodities sold by the Group in the year ended 30 June 2023, as compared to the year ended 30 June 2022.

During the year ended 30 June 2023, the depreciation increased by 23.4 per cent., from U.S.\$11,412 thousand for the year ended 30 June 2022 to U.S.\$14,085 thousand for the year ended 30 June 2023. This increase primarily resulted from an increase in depreciation due to the commissioning of the new processing facility, Danube Oil Company, in Giurgiulesti, Moldova. The addition of this facility had a significant contribution to the overall rise in depreciation expenses during the year.

Expenses on wages and salaries increased by 30.2 per cent. from U.S.\$7,346 thousand for the year ended 30 June 2022 to U.S.\$ 9,568 thousand for the year ended 30 June 2023. This increase primarily resulted from the commissioning of the processing facility, Danube Oil Company, in Giurgiulesti, Moldova. The addition of this facility had a significant contribution to the overall rise in wage expenses during the year. Additionally, an overall increase in salaries was implemented to address inflationary pressures in the jurisdictions where the Group operates.

Gross Profit

As a result of the above, the Group's gross profit decreased by 25.9 per cent. from U.S.\$485,091 thousand for the year ended 30 June 2022 to U.S.\$359,592 thousand for the year ended 30 June 2023, and the gross profit margin decreased from 18.1 per cent. for the year ended 30 June 2022 to 16.8 per cent. for the year ended 30 June 2023. The decrease in the profit margin was primarily due to the soft commodities market following the spike in reference prices during February-April 2022, triggered by the Russian invasion of Ukraine. As prices stabilized and declined, the Group's margins were negatively impacted, contributing to the overall decrease in gross profit margin.

Selling and Distribution Costs

Selling and distribution costs for the year ended 30 June 2023 decreased by 26.9 per cent., from U.S.\$239,830 thousand for the year ended 30 June 2022 to U.S.\$175,202 thousand for the year ended 30 June 2023. The following table presents a breakdown of selling and distribution costs for the year ended 30 June 2023 and 2022.

	Years ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Freightage expenses	86,865	4%	107,778	4%
Transportation	34,988	2%	56,349	2%
Railroad expenses	3,497	–	9,110	–
Wages and salaries	3,241	–	2,382	–
Credit loss allowance under IFRS 9	734	–	7,743	–
Inspections and surveys	2,642	–	3,675	–
Demurrage expenses	7,959	–	14,661	1%
Loading expenses	10,500	–	14,583	1%
Depreciation	3,139	–	2,954	–
Other expenses ⁽¹⁾	21,637	1%	20,595	1%
Total	175,202	8%	239,830	9%

(1) Including other commercial services, certification and expertise, custom duties, packing expenses, storage services, marketing services, social contribution, insurance expenses, brokerage expenses and other selling and distribution expenses.

Freightage expenses for the year ended 30 June 2023 decreased by 19.4 per cent. from U.S.\$107,778 thousand for the year ended 30 June 2022 to U.S.\$86,865 thousand for the year ended 30 June 2023. The decrease primarily resulted from a decrease in the volumes of commodities sold by the Group, as well as falling freight rates in the Black Sea region.

Transportation expenses for the year ended 30 June 2023 decreased by 37.9 per cent. from U.S.\$56,349 thousand for the year ended 30 June 2022 to U.S.\$34,988 thousand for the year ended 30 June 2023. The decrease primarily resulted from a decrease in sales of grains and seeds in the year ended 30 June 2023.

Railroad expenses decreased for the year ended 30 June 2023 by 61.6 per cent. from U.S.\$9,110 thousand for the year ended 30 June 2022 to U.S.\$3,497 thousand for the year ended 30 June 2023. The decrease was primarily attributable to an overall decrease in sales of grains and seeds in the year ended 30 June 2023.

Loading expenses for the year ended 30 June 2023 decreased by 28.0 per cent. from U.S.\$14,583 thousand for the year ended 30 June 2022 to U.S.\$10,500 thousand for the year ended 30 June 2023. The decrease was primarily attributable to a decrease in the volume of commodities sold through the Group's terminals.

Expenses for inspections and surveys decreased by 28.1 per cent. from U.S.\$3,675 thousand for the year ended 30 June 2022 to U.S.\$2,642 thousand for the year ended 30 June 2023. The decrease was primarily attributable to a decrease in export sales and freightage expenses.

Wages and salaries of Group employees involved in sales increased by 36.1 per cent. from U.S.\$2,382 thousand for the year ended 30 June 2022 to U.S.\$3,241 thousand for the year ended 30 June 2023. The increase was primarily attributable to the high inflationary environment in the jurisdictions where the Group operates, which necessitated salary adjustments to retain talent and remain competitive in the market. These adjustments were essential to ensure the Group could continue attracting and retaining skilled employees in a challenging economic climate.

Depreciation increased by 6.3 per cent. from U.S.\$2,954 thousand for the year ended 30 June 2022 to U.S.\$3,139 thousand for the year ended 30 June 2023. The increase was primarily attributable to depreciation of port facilities.

Administrative expenses

Administrative expenses for the year ended 30 June 2023 increased by 13.4 per cent., as compared to the year ended 30 June 2022. The following table presents a breakdown of administrative expenses for the year ended 30 June 2023 and 2022.

	Years ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Wages and salaries.....	11,553	1%	9,576	–
Social contributions.....	2,427	–	2,047	–
Taxes.....	2,301	–	2,293	–
Legal and consulting expenses.....	1,562	–	1,514	–
Depreciation.....	1,154	–	822	–
Travelling and accommodation.....	1,809	–	1,032	–
Other administrative expenses ⁽¹⁾	4,995	–	5,469	–
Total	25,801	1%	22,753	1%

(1) Including bank expenses, entertainment and representation expenses, audit fees, maintenance, rent, telephone and postage, survey expenses, fuel, insurance expenses, notary's fees and other administrative expenses.

Social contributions increased by 18.6 per cent. from U.S.\$2,047 thousand for the year ended 30 June 2022 to U.S.\$2,427 thousand for the year ended 30 June 2023. The increase was primarily attributable to the corresponding increase in wages and salaries, which directly drives higher social contributions. As employee compensation rose, the associated social contributions also increased proportionally.

Wages and salaries and taxes recorded as part of administrative expenses increased by 16.7 per cent. from U.S.\$11,869 thousand in the year ended 30 June 2022 to U.S.\$13,854 thousand in the year ended 30 June 2023. The increase was primarily driven by the high inflationary environment in the jurisdictions where the Group operates, necessitating salary adjustments to retain talent. These adjustments were essential to remain competitive and ensure the Group could continue attracting and retaining skilled employees amidst rising living costs.

Other losses - net

Other losses - net increased by 34.1 per cent. during the year ended 30 June 2023 from U.S.\$6,939 thousand losses for the year ended 30 June 2022 to U.S.\$9,305 thousand losses for the year ended 30 June 2023. The following table presents a breakdown of other losses for the year ended 30 June 2023 and 2022.

	Years ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Depreciation.....	1,947	–	1,848	–

Inventory write off.....	309	–	685	–
Wages and salaries.....	664	–	973	–
Other (income)/expenses ⁽¹⁾	6,385	–	3,433	–
Total	9,305	–	6,939	–

(1) Including loss/(gain) on disposal of fixed assets, impairment of assets, rent expenses, fines and claims, tax expenses, profit/(loss) from sale of other inventories, social contributions, repair and maintenance and other (income)/expenses.

Depreciation increased by 5.4 per cent. from U.S.\$1,848 thousand for the year ended 30 June 2022 to U.S.\$1,947 thousand for the year ended 30 June 2023. The increase was primarily attributable to additions to other property, plant and equipment, which resulted in higher depreciation expenses for the year. The Group aims to reduce the amount of depreciation recorded as a part of other (gains) / losses by classifying assets as production or administrative, depending on their purpose, to allow management to better assess the costs related to the Group's production, administrative and other units.

Inventory write off decreased by 54.9 per cent. from U.S.\$685 thousand for the year ended 30 June 2022 to U.S.\$309 thousand for the year ended 30 June 2023. The decrease was primarily attributable to efficiencies introduced in grain management and efforts to renew some older equipment at several silos. These improvements helped reduce losses and the need for inventory write-offs during the year.

Wages and salaries decreased by 31.8 per cent. from U.S.\$973 thousand for the year ended 30 June 2022 to U.S.\$664 thousand for the year ended 30 June 2023. The decrease was primarily attributable to the reallocation of some wages and salaries to other expense categories, such as cost of goods sold, selling and distribution expenses, as well as administrative expenses. This reclassification reduced the amount recorded under wages and salaries for the period.

Other income

The following table presents a breakdown of other income for the year ended 30 June 2023 and 2022.

	Years ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Customers demurrage.....	–	–	2,516	–
Bargain purchase.....	–	–	7,783	–
Proceeds from penalties and claims.....	138	–	398	–
Gain from write off of expired trade payables.....	44	–	103	–
Stock count surplus.....	3,127	–	1,878	–
Transportation and other services.....	1,517	–	1,981	–
Reversal of bad debt provision.....	2,398	–	–	–
Other operating income.....	3,186	–	1,998	–
Total	10,410	–	16,657	1%

The Group recorded U.S.\$2,516 thousand of customers demurrage in the year ended 30 June 2022 compared to nil in the year ended 30 June 2023. Customers demurrage refers to the charges incurred when a customer delays the unloading or loading of goods beyond the agreed-upon time frame, typically at a port or storage facility. There were no such cases in 2023.

The Group recorded U.S.\$7,783 thousand of bargain purchase expenses in the year ended 30 June 2022, compared to nil in the year ended 30 June 2023. The expense in the year ended 30 June 2022 related to the acquisition of Serbian assets during the year.

Proceeds from penalties and claims decreased by 65.3 per cent. from U.S.\$398 thousand for the year ended 30 June 2022 to U.S.\$138 thousand for the year ended 30 June 2023. The decrease was primarily attributable to fewer contracts being terminated by customers and suppliers, resulting in a lower amount of penalties and claims income received by the Group during the year.

Stock count surplus increased by 66.5 per cent. from U.S.\$1,878 thousand for the year ended 30 June 2022 to U.S.\$3,127 thousand for the year ended 30 June 2023. The increase was primarily attributable to a higher volume of grains and seeds passing through the Group's silos and terminals, as more goods originated from Ukraine and physically moved through the Group's infrastructure.

The reversal of bad debt provision in the amount of U.S.\$2,398 thousand in the year ended 30 June 2023 related to the resolution of a case with a Swiss customer.

Net finance costs

The following table presents a breakdown of net finance costs for the year ended 30 June 2023 and 2022.

	Years ended 30 June			
	2023		2022	
	(in U.S.\$ thousands)	Percentage of revenue	(in U.S.\$ thousands)	Percentage of revenue
Interest expenses.....	22,028	1%	21,931	1%
Loan Commissions.....	7,014	–	6,654	–
Bank Commissions.....	2,124	–	2,492	–
Interest on bonds issued	42,133	2%	42,250	2%
Amortization of bonds issued costs.....	2,686	–	2,513	–
Amortization of bond premium.....	(1,224)	–	(1,071)	–
Lease interest expenses	1,254	–	1,274	–
Loan interest unwinding.....	1,263	–	601	–
Net foreign exchange difference	(9,421)	–	(11,191)	–
Total.....	67,857	3%	65,453	2%

Interest expenses increased by 0.4 per cent., from U.S.\$21,931 thousand in the year ended 30 June 2022 to U.S.\$22,028 thousand in the year ended 30 June 2023. Loan commissions increased by 5.4 per cent., from U.S.\$6,654 thousand in the year ended 30 June 2022 to U.S.\$7,014 thousand in the year ended 30 June 2023. Bank commissions decreased by 14.8 per cent., from U.S.\$2,492 thousand in the year ended 30 June 2022 to U.S.\$2,124 thousand in the year ended 30 June 2023. The key driver for the changes in these line items was the fluctuation in trade finance loans used to finance certain flows of goods. Some of these loans are structured in a way that results in higher fees or commissions being paid, while interest expenses remain slightly lower. However, the overall fixed charges remained largely flat year-on-year.

Net foreign exchange difference decreased from a U.S.\$11,191 thousand loss for the year ended 30 June 2022 to U.S.\$9,421 thousand loss for the year ended 30 June 2023.

Income tax expense

The Group incurred an income tax expense of U.S.\$18,438 thousand for the year ended 30 June 2023 and income tax expense of U.S.\$18,439 thousand for the year ended 30 June 2022. In FY 2022/23 and FY 2021/22, the effective corporate tax rate of the Group was 20.1 per cent. and 11.1 per cent., respectively, while the nominal corporate tax rate in Moldova is 12 per cent. The difference between the effective income tax rate and the statutory income tax rate in FY 2022/23 and FY 2021/22 was due to the fact that the Group may generate profits in certain jurisdictions and losses in others. However, when calculating the overall corporate tax expenses, the Group accounts for taxes attributable to the profitable jurisdictions, while the losses generated in other jurisdictions reduce the overall profit of the Group but do not offset the corporate income taxes owed in the profitable jurisdictions.

Profit for the year

As a result of the foregoing factors, the Group generated a profit of U.S.\$73,399 thousand for the year ended 30 June 2023, as compared to a profit of U.S.\$148,334 thousand for the year ended 30 June 2022.

Liquidity and Capital Resources

The primary sources of the Group's working capital and long-term funding during the period under review were short-term and long-term borrowings and cash flows from operating activities. The Group primarily uses funds to finance operating activities, capital expenditures, business acquisitions, and repayment of short-term and long-term borrowings. The Group plans to finance its operating activities and capital expenditures primarily from cash flow from operations and the net proceeds from the Offering, which will also be used in part to refinance its existing indebtedness. See "Use of Proceeds".

Liquidity

As of 30 June 2024, the Group had total cash and cash equivalents of U.S.\$134,203 thousand, denominated primarily in U.S. Dollars. The Group does not have significant short-term investments.

Working Capital

The Group's sales and cash flow are subject to seasonal fluctuations, particularly in relation to agricultural harvest periods. The Group has historically managed this seasonality by supplementing operating cash flows with revolving credit facilities available to the Group from a number of international credit institutions. The Group generally incurs more short-term liabilities in the first half of the calendar year in connection with the purchases of agricultural commodities during the harvesting period, with working capital increasing during the first three quarters of the year, before decreasing in the fourth quarter as a result of sales of crops harvested.

The following table sets forth the Group's working capital as of 30 June 2024, 2023 and 2022:

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Inventories.....	526,742	483,611	484,010
<i>Wheat</i>	31,971	86,628	37,507
<i>Barley</i>	13,655	50,424	27,224
<i>Sunflower</i>	109,429	107,834	104,103
<i>Corn</i>	41,681	40,155	62,119
<i>Other Grains & Oilseeds</i>	253	67	59
<i>Soya</i>	102,764	22,628	1,117
<i>Rape</i>	26,310	22,983	36,026
<i>Crude vegetable oil</i>	125,438	100,747	148,646
<i>Soyabean meal</i>	28,961	–	139
<i>Sunflower meal</i>	19,771	3,208	735
<i>Other inventories</i>	26,509	48,937	66,335
Trade and other receivables ⁽¹⁾	276,231	206,476	258,721
Advances to suppliers.....	195,295	169,064	121,694
Cash and cash equivalents.....	134,203	67,757	78,860
Trade and other payables.....	(124,790)	(106,241)	(73,139)
Working Capital⁽²⁾.....	1,007,681	820,667	870,146

(1) Calculated as the sum of trade receivables, receivables from related parties, receivables from the state budget, receivables from employees and other accounts receivable less allowance for doubtful trade receivables and advances given, and bad debts provision.

(2) The Group calculates working capital as the sum of inventories, trade and other receivables, advances to suppliers, cash and cash equivalents less trade and other payables.

Working capital increased by U.S.\$187,014 thousand in FY 2023/24 over FY 2022/23 from U.S.\$ 820,667 thousand as of 30 June 2023 to U.S.\$1,007,681 thousand as of 30 June 2024 primarily due to the Group's intention to expand the crushing and refining segment of the business. This necessitated the purchase of more sunflower seeds early in the season, which are kept on the balance sheet throughout the year. Additionally, the Group has increased its soybean purchases in anticipation of the future soybean processing facility in Romania. For now, these soybeans will be traded, but in the future, the Group plans to process them in-house.

Working capital decreased by U.S.\$49,479 thousand in FY 2022/23 over FY 2021/22 from U.S.\$870,146 thousand as of 30 June 2022 to U.S.\$820,667 thousand as of 30 June 2023 primarily due to the increased working capital used to build a sunflower seed position. Inventories remained stable but trade and other receivables decreased slightly while trade and other payables increased. Purchasing sunflower seeds immediately after the harvest ensures the best (lowest) price available throughout the year, while also providing access to ample supply. As the Group's processing capacity continues to grow, greater efforts are required to secure sufficient quantities of sunflower seeds to meet operational needs.

Readily Marketable Inventories

RMI includes agricultural inventories, namely vegetable oils and meal, wheat, corn and other grains, oilseed and other agricultural commodities which the Group treats as readily convertible into cash because of their commodity characteristics and widely available markets and international pricing mechanisms.

RMI is presented as a supplemental measure of the Group's liquidity. As of 30 June 2024, 30 June 2023 and 30 June 2022 the Group had RMI of U.S.\$518,943 thousand, U.S.\$473,456 thousand and U.S.\$463,798 thousand, respectively, which in total represented 1,226 thousand tonnes, 1,072 thousand tonnes and 739 thousand tonnes, respectively. The composition of RMI may vary significantly depending on market conditions and crop yields. The table below illustrates composition and balance value of RMI as of 30 June 2024, 2023 and 2022.

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Wheat	31,971	86,628	37,507
Barley	13,655	50,424	27,224
Sunflower	109,429	107,834	104,103
Corn.....	41,681	40,155	62,119
Other Grains & Oilseeds	253	67	59
Soya.....	102,764	22,628	1,117
Rape	26,310	22,983	36,026
Crude vegetable oil.....	125,438	100,747	148,646
Soyabean meal	28,961	–	139
Sunflower meal	19,771	3,208	735
Own production			
Refined vegetable oil	1,317	3,886	2,576
Crude vegetable oil	11,200	28,517	32,024
Sunflower meal	3,274	662	3,171
Soya meal.....	498	2,063	3,425
Bottled vegetable oil	1,726	3,580	3,325
Other Grains and Oilseeds	875	74	1,602
Total own production.....	18,710	38,782	46,123
Readily Marketable Inventories (RMI)⁽¹⁾.....	518,943	473,456	463,798

Approximately 85 per cent. of the Group's RMI are usually pre-sold under forward contracts.

Cash Flows

Set forth below is a summary of the Group's cash flows for FY 2023/24, FY 2022/23, and FY 2021/22:

	Year ended 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Net cash from operating activities.....	58,549	207,619	22,773
Net cash used in investing activities.....	(22,378)	(40,300)	(67,225)
Net cash from / (used in) financing activities.....	33,099	(175,518)	58,327
Effect of exchange rate fluctuations on cash movements.....	(2,824)	(2,904)	(2,282)
Net (decrease)/increase in cash and cash equivalents.....	69,270	(8,199)	13,875

Net cash (used in)/from operating activities

Net cash from operating activities decreased by U.S.\$149,070 thousand from U.S.\$207,619 thousand inflow for FY 2022/23 to U.S.\$58,549 thousand inflow for FY 2023/24. The decrease in cash from operating activities principally reflected an increase in trade and other receivables in line with the overall trend in revenue.

Net cash from operating activities increased in FY 2022/23 by U.S.\$184,846 thousand from U.S.\$22,773 thousand inflow for FY 2021/22 to U.S.\$207,619 thousand inflow for FY 2022/23. The increase principally reflected a decrease in trade and other receivables in line with the overall trend in revenue.

Net cash (used in)/from investing activities

Net cash used in investing activities in FY 2023/24 decreased by U.S.\$17,922 thousand from U.S.\$40,300 thousand outflow in FY 2022/23 to U.S.\$22,378 thousand outflow in FY 2023/24 primarily as a result of a decrease in the Group's purchases of property, plant and equipment in FY 2023/24, which was in turn due to the Group pausing the expansion of its fleet of river barges and sea-going vessels, which had been the primary driver of the increase in capital expenditures in FY 2022/23.

Net cash used in investing activities in FY 2022/23 decreased by U.S.\$26,925 thousand from U.S.\$67,225 thousand outflow in FY 2021/22 to U.S.\$40,300 thousand outflow in FY 2022/23 primarily as a result of the acquisition of VictoriaOil in FY 2021/22, which was partially offset by an increase in the Group's purchase of property, plant and equipment in FY 2022/23.

Net cash from/(used in) financing activities

Net cash from financing activities increased by U.S.\$208,617 thousand from U.S.\$175,518 thousand outflow in FY 2022/23 to U.S.\$33,099 thousand inflow in FY 2023/24. The increase was primarily attributable to proceeds from loans taken out by the Group in FY 2023/24.

Net cash from financing activities in FY 2022/23 decreased by U.S.\$233,845 thousand from U.S.\$58,327 thousand inflow in FY 2021/22 to U.S.\$175,518 thousand outflow in FY 2022/23. The decrease was primarily attributable to a reduction in proceeds from loans and borrowings, together with repayments of loans and borrowings in 2022/23.

Indebtedness

As of 30 June 2024, the Group had current borrowings of U.S.\$276,651 thousand and non-current borrowings of U.S.\$103,928 thousand (not including bonds issued. As of 30 June 2024, 56.8 per cent. of the Group's indebtedness was drawn pursuant to committed credit facilities. The Issuer will use approximately U.S.\$27,663 thousand of the proceeds received from the issue and sale of the Notes to refinance a portion of the TradeX Bank, Geneva, Switzerland trade finance facility.

The following table summarizes the Group's significant borrowings as of 30 June 2024. As of 30 June 2024, substantially all indebtedness of the Group was denominated in U.S. dollars, Euros and Swiss Francs.

Creditor	Maximum limit	Outstanding amount	Borrower	Type of loan	Maturity date
(in thousands of U.S. dollars)					
2023 Notes	500,000	494,757	Aragvi Finance International DAC	Bullet repayment	29-Apr-26
IIB - International Investment Bank	22,068	22,068	Helios Agri International	Amortizing	01-Apr-26
AIK Bank	32,809	32,809	VictoriaOil	Amortizing	24-Sep-29
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	31,500	15,044	TOI Commodities SA	Amortizing	01-Aug-28
AIK Banka	11,239	11,239	Balkan Commodities International	Amortizing	28-Dec-28
Mr. Vaja Jhashi	21,890	21,890	Visions Holding SA	Shareholder's subordinated loan	31-Dec-26
Cooperstown SARL (Oaktree Capital Management)	878	878	VictoriaOil	Shareholder's subordinated loan	31-Dec-26
TradeX Bank, Geneva, Switzerland	62,700	66,701	TOI Commodities SA	Trade finance	N/A

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	43,000	43,000	TOI Commodities SA	Secured Pre-Corp syndicated facility	01-Jan-25
ING Bank N.V.	150,000	1,000	TOI Commodities SA	Pre-export syndicated facility	31-Jul-25
ING, Geneva, Switzerland	50,000	30,207	TOI Commodities SA	Trade finance	N/A
Raiffeisen bank, Romania	11,000	2,375	Global Grain International	Trade finance	N/A
Syndicate (Komeracijalna, Raiffeisen, UCB and OTP)	44,000	33,796	VictoriaOil	Working Capital	25-Aug-24
AIK Bank	13,310	10,241	VictoriaOil	Working Capital	13-Apr-25
Black Sea	11,000	10,703	TOI Commodities SA	Working Capital	01-Jan-25
Arabank	15,000	15,726	TOI Commodities SA	Trade finance	N/A
UBS	15,000	15,619	TOI Commodities SA	Trade finance	N/A
BIC Bread	20,000	14,106	TOI Commodities SA	Trade finance	N/A
Other (accruals, CPLTD, etc.)	-	33,177			
Total		875,336			

Description of Material Loans

Subordinated loan from Mr. Vaja Jhashi

In March 2006, Mr. Vaja Jhashi provided a loan to Visions Holding SA in the amount of U.S.\$3,500 thousand for the purposes of funding capital expenditures of the Group. Pursuant to further additional agreements and other contracts between Mr. Vaja Jhashi and Visions Holding SA the sum of the loan was increased to U.S.\$14,169 thousand. The interest rate under the agreement is 0 per cent., but it can be increased to 10 per cent. per annum, if the borrower defaults on certain obligations. In February 2018, Visions Holding SA entered into additional agreements with Mr. Vaja Jhashi. Pursuant to the additional agreements claims of Mr. Vaja Jhashi under the loan agreement were ranked junior to all other existing and future claims against the Group. The loan is governed by the laws of Switzerland. As at 30 June 2024, the Group's indebtedness under the facility amounted to U.S.\$21,203 thousand. In March 2020, Mr. Vaja Jhashi and Visions Holding SA entered into an additional agreement which extended the maturity of the loan until 31 December 2027 and subordinated claims under the loan to claims under the Notes.

Significant Borrowings since 30 June 2024

There have been no significant borrowings of the Group since 30 June 2024. Additionally, the Issuer will use approximately U.S.\$27,663 thousand of the proceeds received from the issue and sale of the Notes to refinance a portion of the TradeX Bank, Geneva Switzerland trade finance facility. For more details see "Capitalisation" and "Use of Proceeds".

Capital expenditures

In FY 2023/24, FY 2022/23 and FY 2021/22, the Group's capital expenditures totalled U.S.\$22.4 million, U.S.\$33.5 million and U.S.\$13.4 million, respectively. In FY 2023/24 these funds were primarily used for new refining, bottling and storage capacity for sunflower seeds oil at Floarea Soarelui plant, located in Balti, Moldova, which accounted for U.S.\$8.5 million of capital expenditure in FY 2023/24, acquisition of processing plant equipment in FY2023/24, which cost U.S.\$3.9 million, as well as the acquisition of various elevator equipment in FY 2023/24, which cost U.S.\$4.5 million.

The Group's aggregate budget for capital expenditures for FY 2024/25 is approximately U.S.\$22 million. Capital expenditures will primarily be deployed to the acquisition of a handy-max oil tanker, which will strengthen the Group's logistics and shipping capabilities. Additionally, a portion of the capital expenditure is allocated for the finalization of

refining and bottling capacity at the Floarea Soarelui SA plant in Bălți, Moldova, and for bolstering the Group's infrastructure and operational capacities at the port of Constanța.

The following table provides a breakdown of capital expenditure for FY 2023/24:

	2024
	(in millions of U.S. dollars)
Expansionary capital expenditure	18.4
Storage facilities.....	4.5
Processing plants equipment	3.9
Refining, bottling and storage capacities.....	8.5
Other.....	1.5
Maintenance capital expenditure	4.0
Total capital expenditure	22.40

The Group expects average maintenance capital expenditure of U.S.\$4.0 million per year in the medium term.

Off-Balance Sheet Arrangements

The Group does not have off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, sales, expenses, results of operations, liquidity, capital expenditures, or capital resources.

Critical accounting estimates

For details of the Group's significant accounting policies, see Note 4 to the Consolidated Financial Statements.

INDUSTRY OVERVIEW

Vegetable Oil Industry

Overview

Vegetable oil is an ingredient used frequently for the preparation and processing of food, as well as in the production of certain bio-fuels. There are four main types of vegetable oil: sunflower oil, soybean oil, rapeseed oil and palm oil, which together account for over 85 per cent. of the vegetable oil market. According to the USDA, approximately 216.8 million tonnes of vegetable oil was produced in 2022/23 and approximately 222.4 million tonnes will be produced in the 2023/24 harvest season. The growing global market for vegetable oils is driven by the increased popularity of healthy and organic vegetable oils, and strong demand for palm oil worldwide. The volume of the global organic market amounted to €135.0 billion in 2022, according to the Research Institute of Organic Agriculture. Low-fat and low-cholesterol vegetable oils are especially poised to benefit against the backdrop of a growing consumer focus on health and fitness. Developing markets offer opportunities in the form of greater potential for higher market penetration and growth in per capita consumption, while in developed markets, innovation in healthy ingredients should contribute to increased consumption.

Moldova

Moldova is a country in Eastern Europe, bordered by Romania to the west and Ukraine to the north, east, and south. Moldova's GDP was U.S.\$17.1 billion in 2023. Real GDP growth was 1.0 per cent., (5.0) per cent. and 13.9 per cent. in 2023, 2022 and 2021, respectively, according to the IMF. The IMF is forecasting that real GDP in Moldova will grow by 2.6 per cent. in 2024. Inflation was 4.2 per cent., 30.2 per cent. and 13.9 per cent. in 2023, 2022 and 2021, respectively, according to the NBM.

With a moderate climate and productive farmland, Moldova's economy relies heavily on its agriculture sector, featuring fruits, vegetables, wine, and tobacco. Moldova's agricultural sector is a significant contributor to the economy. According to the NBS, the agricultural sector accounted for 7.6 per cent. of Moldova's GDP in 2023.

Moldova's 2023/24 harvest yielded around 900 thousand tonnes of sunflower seeds, 1.56 million tonnes of wheat and 220 thousand tonnes of barley, according to the USDA.

Romania

Romania is a country situated at the crossroads of Central, Eastern and Southeastern Europe, bordered by Bulgaria to the south, Ukraine to the north, Hungary to the west, Serbia to the southwest, and Moldova to the east. Romania's GDP was U.S.\$370.0 billion in 2023. Real GDP growth was 2.1 per cent., 4.6 per cent. and 5.7 per cent. in 2023, 2022 and 2021, respectively, according to the IMF. The IMF is forecasting average GDP growth of 2.8 per cent. in 2024, and 3.6 per cent. in 2025, respectively. The inflation rate (measured as an annual per cent. change of average consumer prices) increased from 5.0 per cent. in 2021 to 13.8 per cent. in 2022, before decreasing to 10.4 per cent. in 2023, according to the IMF.

Romania has favourable natural conditions for varied agricultural production, featuring fruits, vegetables and grains. Romania's agricultural sector is a significant contributor to the economy. According to the National Bureau of Statistics of Romania, the agricultural sector accounted for 3.9 per cent. of Romania's GDP in 2023.

Corn remains Romania's top grain crop in terms of both area and production, followed by wheat and barley. In terms of oilseeds, sunflower area is the top crop, followed by rapeseed and soybeans. In 2022/23, Romania ranked as the top producer in the EU for sunflower seeds, contributing 29 per cent. of the EU's total production, with approximately 9,500 thousand tonnes produced. Romania's 2022/23 harvest yielded around 2,020 thousand tonnes of sunflower seeds, 9,600 thousand tonnes of wheat and 8,520 thousand tonnes of corn.

Serbia

Serbia is a landlocked country situated at the crossroads of Central and Southeastern Europe, bordered by Hungary to the north, Romania to the northeast, Bulgaria to the southeast, North Macedonia to the south, Croatia and Bosnia and Herzegovina to the west, and Montenegro to the southwest. Serbia's GDP was U.S.\$75.2 billion in 2023. Real GDP growth was 2.5 per cent., 2.5 per cent. and 7.7 per cent. in 2023, 2022 and 2021, respectively, according to the IMF. The IMF is forecasting average GDP growth of 3.5 per cent. in 2024, and 4.5 per cent. in 2025, respectively. The inflation rate (measured as an annual per cent. change of average consumer prices) increased from 4.1 per cent. in 2021 to 12.0 per cent. in 2022 and 12.4 per cent. in 2023, according to the IMF.

Serbia has favourable natural conditions for varied agricultural production, featuring fruits, vegetables, grains and wine. Serbia's agricultural sector is a significant contributor to the economy. According to the World Bank, the agricultural sector accounted for 5.2 per cent. of Serbia's GDP in 2023.

Serbia's 2022/23 harvest yielded around 643 thousand tonnes of sunflower seeds, 3.3 million tonnes of wheat, 4.6 million tonnes of corn and 520 thousand tonnes of barley, according to the USDA.

General

In 2020/21 and 2021/22, the global production of vegetable oils remained flat, according to the USDA. This was followed by growth in 2022/23 and 2023/24. Major factors driving global market growth in the region include relatively low levels of per capita consumption of vegetable oils, an expanding population and growth in demand for food commodities, improved retail networks, changing dietary habits, increased urbanisation and steadily growing economies. Two key trends are driving the growth of the world vegetable oil sector. First, production is generally fuelled by population growth, especially in Asia, and by increases in living standards and improved dietary habits as consumers in certain parts of the world become able to afford vegetable oils. Secondly, vegetable oil growth generally correlates with the development of the bio-fuel industry, especially in the US and the EU, as part of the overall movement towards renewable energy sources. Although rapeseed oil is the primary type of vegetable oil used for bio-fuels, the strong demand for rapeseed for bio-diesel production has prompted parallel demand for other oils such as sunflower oil.

The vegetable oils market is segmented into palm and palm kernel oil, soybean oil, rapeseed oil, sunflower oil, peanut oil, olive oil and other oils such as mustard oil, coconut oil, corn oil and cottonseed oil. Palm and palm kernel oil and soybean oil accounted for 39.3 per cent. and 27.5 per cent. of the market, respectively, in 2022/23, according to the USDA. Vegetable oils can be distinguished in the following way:

- **Tree crops.** Palm, palm kernel, coconut and olive oils are obtained from trees that must be planted and mature before they give a usable crop. Once this stage is reached, the trees continue to provide crops for 25-30 years, in the case of palm, and longer than that for olive.
- **Annual crops.** The second category is annual crops such as soybean, rapeseed, sunflower and some other minor seed crops. Appropriate decisions must be made annually by the farmer or planter concerning which crops to grow. The choice is usually between oilseed crops and cereals, and the decision is typically based on agricultural and economic factors.

Primary uses for the four main types of vegetable oil are as follows:

- **Sunflower oil** - used for salad dressings and as a frying oil;
- **Palm oil** - an industrial frying oil used to produce chips, crisps and other snack foods, and also used in the production of shortening, ice cream, condensed milk and soap;
- **Soy oil** - meal, which is a by-product of the crushing process, is the primary soy product and is used as cooking oil or in the production of bread, shortening and snack foods; and
- **Rapeseed oil** - used in food products and in the production of bio-diesel.

The table below provides information on global production of major vegetable oils for 2020/21, 2021/22, 2022/23 and 2023/24:

Production:	2020/21	2021/22	2022/23	2023/24
	(in millions of tonnes)			
Palm and palm kernel oil.....	81.79	81.40	85.31	86.13
Soybean oil.....	60.08	60.06	59.62	62.63
Rapeseed oil.....	29.44	29.17	32.86	34.31
Sunflower oil.....	19.01	19.69	21.73	22.12
Other ⁽¹⁾	17.76	18.29	17.29	17.24
World Total	208.06	208.61	216.80	222.42

Source: USDA Foreign Agricultural Service.

(1) Coconut oil, cottonseed oil, olive oil and peanut oil.

The market is also viewed as geographically segmented into North America, Europe, Asia-Pacific, South America and Africa. Asia-Pacific is the major market for vegetable oils and is expected to continue its recent importance over the next

few years, due to significant demand from the food sector, demand driven by increasingly health-conscious consumers, rising populations and changing living standards. Europe is the second largest market due to a consumer trend towards healthier lifestyles and technological developments which increase demand.

Sunflower Oil Market

Sunflower Oil Production

Sunflower oil is created through a series of steps. First, the sunflower seeds are cleaned and de-hulled. Second, the seeds undergo a mechanical pressing process that squeezes the oil from the seeds. Third, the seeds go through a solvent extraction process in which chemicals are used to separate the oil from the fibre component of the seeds in order to further extract any oil that remains after the pressing. The product of such steps is sunflower oil. Depending on the buyer demand, the oil may also then be refined, which involves a series of filters and chemical additives to remove the colour and smell from the oil.

Global Supply and Demand

According to the USDA, global production of sunflower oil increased from 19.01 million tonnes in FY 2020/21 to 21.73 million tonnes in FY 2022/23. According to the USDA, sunflower oil has accounted for approximately 9.1 per cent., 9.4 per cent. and 10.0 per cent. of total vegetable oil produced in 2020/21, 2021/22 and 2022/23, respectively. Ukraine, Russia, the EU and Argentina are the main producers of sunflower oil. Moldova is an important producer of sunflower oil, with annual production of 250 thousand tonnes in the 2022/23 harvest season, which accounts for approximately 0.8 per cent. of global gross production. In 2022/23, Romania produced 400 thousand tonnes of sunflower oil, representing approximately 3.08 per cent. of global gross production. Serbia produced 238 thousand tonnes of sunflower oil in the 2022/23 harvest season, representing approximately 1 per cent. of global gross production. A number of other countries such as China, India and the US produce sunflower seeds, but in relatively low production levels compared to the main producers. The USDA expects a 1.8 per cent. increase in global gross production of sunflower oil in 2023/24.

The table below provides information on production of sunflower seeds by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in millions of tonnes)			
Russia	13.3	15.6	16.3	17.1
Ukraine	14.1	17.5	12.2	15.5
Moldova	0.5	1.0	0.9	0.9
European Union	8.9	10.3	9.4	10.1
Serbia	0.6	0.6	0.6	0.7
Argentina.....	3.2	4.0	5.0	3.9
China.....	2.6	2.2	1.7	2.0
Türkiye	1.6	1.8	1.9	1.6
United States	1.4	0.9	1.3	1.0
Kazakhstan	0.8	1.0	1.3	1.2
Rest of World.....	1.9	2.0	2.2	2.0
World Total	48.9	56.9	52.8	56.0

Source: USDA Foreign Agricultural Service

The table below provides information on production of sunflower oil by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in millions of tonnes)			
Russia	5.1	5.8	6.5	6.8
Ukraine	5.9	4.6	6.0	6.8
Moldova	0.1	0.2	0.3	0.2
European Union	3.5	4.4	4.0	3.9
Argentina.....	1.4	1.5	1.8	1.6
Türkiye	1.0	0.9	1.1	0.7
China.....	0.4	0.5	0.3	0.2
South Africa	0.3	0.3	0.3	0.3
Kazakhstan	0.2	0.4	0.5	0.5
Serbia	0.2	0.2	0.2	0.2
United States	0.8	0.8	0.9	0.9
World Total	18.9	19.6	21.9	22.1

Source: USDA Foreign Agricultural Service

The table below provides information on major sunflower seed exporters and sunflower seed export volumes for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousands of tonnes)			
Moldova	313	513	231	475
.....				
Russia	554	275	260	450
.....				
Ukraine	191	1,622		
.....				
European Union	624	397	1,856	314
.....			595	450
Serbia	82	84	84	115
.....				
Türkiye	123	118	102	102
.....				
Argentina	187	161	94	150
.....				
Other countries	879	775	795	818
.....				
World Total	2,953	3,945	4,017	2,874

Source: USDA Foreign Agricultural Service, Serbian Ministry of Agriculture

The table below provides information on major sunflower oil seed exporters and sunflower oil export volumes for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousands of tonnes)			
Moldova	77	216	229	195
.....				
Russia	3,246	3,250	4,000	4,400
.....				
Ukraine	5,273	4,465	5,683	6,262
.....				
European Union	683	850	1,221	1,000
.....				
Serbia	155	120	140	155
.....				
Türkiye				
.....				
Argentina	639	889	1,102	1,189
.....			1,115	950
Other countries	829	873		
.....	436	558	844	890
World Total	11,338	11,221	14,334	15,041

Source: USDA Foreign Agricultural Service

With high vitamin E and low saturated fat content, sunflower oil is considered among the healthiest oils. Its primary market is the food industry, which uses it for salad dressing or frying oil. Due to its high quality, sunflower oil will generally command a premium over other oils, except for olive oil. Sunflower oil is also used as a component in the food processing industry and, sometimes, as a feedstock in industrial applications or substitute for other vegetable oils.

According to the USDA, the total volume of sunflower oil exported on the international market was approximately 15 million tonnes in 2023/2024. The USDA and the European Commission report that Moldova, Serbia and the European Union (including Romania) exported 195 thousand tonnes, 155 thousand tonnes and 1,000 thousand tonnes of sunflower oil in 2023/24, which amounted to 1.29 per cent., 1.03 per cent. and 6.64 per cent. of global sunflower oil exports, respectively (compared to Ukraine, which supplied 41.6 per cent., Russia, the second-largest producer, which supplied 29.3 per cent., Türkiye, which supplied 7.9 per cent. and Argentina, which supplied 6.3 per cent.). Other countries export marginal levels compared to these exporters.

Demand for sunflower oil has been driven by the large importing countries or regions, primarily India, the EU, Northern Africa, the Middle East, China and Türkiye. According to the USDA, India was the largest importer in 2023/24 and accounted for 25.35 per cent. of imports, primarily as a result of population growth and an increase in living standards. According to the USDA, the EU and China accounted for 20.9 per cent. and 8.83 per cent. of imports of sunflower oil, respectively, in the same year. The USDA expects global imports for sunflower oil to decrease in 2024/25 as compared to 2023/24.

The table below provides information on imports of sunflower oil by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousands of tonnes)			
India.....	1,958	1,956	2,988	3,400
European Union.....	1,599	2,178	2,103	2,800
China.....	1,640	513	1,555	1,185
Türkiye.....	778	1,308	1,711	1,491
Egypt.....	191	344	400	600
Iraq.....	402	430	538	475
Iran.....	900	670	800	800
South Africa.....	125	120	210	180
Mexico.....	66	124	69	90
Uzbekistan.....	228	126	293	275
Saudi Arabia.....	97	134	133	150
World Total.....	9,674	9,684	12,560	13,408

Source: USDA Foreign Agricultural Service.

Supply and Demand on the Moldovan Sunflower Oil Market

Sunflower seeds were the major oilseed in Moldova for the past several years and this is expected to continue, according to the USDA. Sunflower seeds are grown in most areas of Moldova. Moldova has an estimated 2.48 million hectares of farmland, or 75 per cent. of the country's territory, including 1.82 million hectares of arable land according to the International Trade Administration, equivalent to per cent. of its territory. According to Moldova Investment and Export Promotion Organisation, 75 per cent. of Moldova's territory is covered in highly valuable soil also known as "black earth", reputed as one of the most fertile soils in the world. Together with its continental climate, the natural environment in Moldova provides excellent conditions for the crop. Production yields are, however, relatively low by international standards. There are various reasons for the difference in yields, such as the low quality of seeds used to grow the sunflowers and insufficient investment in overall plant protection.

Production of sunflower seeds was 960 thousand tonnes, 855 thousand tonnes and 900 thousand tonnes in 2021/22, 2022/23 and 2023/24, respectively. Moldova produces substantially more sunflower oil than it consumes. For instance, in 2023/24, Moldova produced 181 thousand tonnes of sunflower oil, according to USDA data.

Sunflower oil is one of the most frequently used oils in Moldova. Prior to the disintegration of the Soviet Union, consumers rarely distinguished between refined and crude sunflower oil. Instead, consumers bought whatever oil was available and were prone to consume bulk oil purchased at traditional open-air markets. As the Moldovan economy developed and the standard of living improved, consumers today have more sophisticated taste preferences and desire healthier products, which has driven a switch from crude oil to refined oil. Further, there is more brand awareness, with the result that the consumers are beginning to prefer bottled oil under a brand name they recognise.

Moldovan sunflower oil is exported to over 100 countries globally. The EU, UAE, Egypt, Iran, Iraq and Türkiye are traditionally the most significant importers of Moldovan sunflower oil, with the EU usually purchasing over 90 per cent. of annual sales from Moldova, according to the Centre for the Promotion of Imports ("CBI") product factsheet. However, the share of the Middle East and North Africa (MENA) market has been on the rise in recent seasons and this trend is expected to continue.

Supply and Demand on the Serbian Sunflower Oil Market

Production of sunflower seeds in Serbia was 608 thousand tonnes, 643 thousand tonnes and 725 thousand tonnes in 2021/22, 2022/23 and 2023/24, respectively. Serbia produces substantially more sunflower oil than it consumes. For instance, in 2023/24, Serbia produced 238 thousand tonnes of sunflower oil, according to USDA data.

EU and non-EU countries located in South-Eastern Europe are traditionally the most significant importers of Serbian sunflower oil produced in Serbia, with the EU usually purchasing over 40 per cent. of annual sales from Serbia, according to UN Comtrade.

Sunflower Oil Prices

The long-term prospects for demand for sunflower oil are based on a number of factors. In particular, population growth and increasing average income per capita drive demand. The growing bio-fuel industry also has the potential to drive demand for oilseed crops. Bio-fuel efficient crops, such as rapeseed and corn, incentivise consumers to seek oil substitutes, such as sunflower oil.

The table below shows prices for sunflower seed, crude sunflower oil and sunflower meal for 2020/21, 2021/22, 2022/23 and 2023/24:

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
Sunflower Seeds (U.S.\$/mt).	683.12	689.02	443.57	476.15
.....				
Crude Sunflower Oil (U.S.\$c/mt)	875.72	1,600.95	989.99	1,007.63
.....				
Sunflower Meal (U.S\$/short ton).	329.59	564.12	333.05	250.07
.....				

Source: Fastmarkets Agricensus.

Grain Market

Global Supply, Demand and Outlook

Wheat and coarse grains (primarily corn, barley and sorghum) are the two main types of grain crops.

According to the USDA, the global production of wheat and coarse grains increased from 773 million tonnes and 1,445 million tonnes in 2020/21 to 790 million tonnes and 1,501 million tonnes in 2023/24, respectively. The table below provides information on world grain production (total and by crop) for 2020/21, 2021/22, 2022/23 and 2023/24:

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
		(in million tonnes)		
Wheat.....	772.7	780.4	789.5	790.4
Coarse grains.....	1,445.0	1,502.5	1,452.5	1,501.3
<i>including:</i>				
Corn.....	1,131.9	1,217.6	1,160.7	1,225.9
Barley.....	161.5	145.3	150.9	142.6
Sorghum.....	62.8	61.1	57.5	58.3
Oats.....	26.0	22.6	25.3	19.3
Rye.....	14.3	12.4	12.1	11.7
World Total.....	<u>2,217.7</u>	<u>2,282.9</u>	<u>2,242.0</u>	<u>2,291.7</u>

Source: USDA Foreign Agricultural Service.

World Trade in Grain

Traditionally, the EU, Russia, Canada and the US have been the leading countries in wheat exports. Other major exporters include Ukraine, Kazakhstan, Argentina and Türkiye.

Increasing trade in coarse grain is closely tied to the expansion of domestic livestock production, particularly by countries that are unable to meet their own feedstuff needs. Corn is the dominant feed grain traded on international markets, followed by rice and barley. The US remains the leading producer, consumer and exporter of corn. However, expanding corn-based ethanol production is projected to limit the country's export capacity in the future and the US is expected to face increasing competition in international markets from other exporters such as Argentina, Brazil and Ukraine. The main markets with potential for further growth in coarse grain imports are Mexico, North Africa and the Middle East, China, Asia and Latin America, where higher incomes boost demand for animal products, leading to increased feed requirements. The increase in demand is likely to be met by higher exports from Australia, Canada and the EU, with strong competition from Ukraine and Russia.

The table below provides information on production of wheat by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
China.....	134,250	136,946	137,723	136,590
European Union.....	126,684	138,479	134,292	134,865
India.....	107,860	109,586	104,000	110,554
Russia.....	85,352	75,158	92,000	91,500
Canada.....	35,437	22,422	34,807	32,946
Australia.....	31,923	36,237	40,545	25,960
Pakistan.....	25,248	27,464	26,209	28,161
Ukraine.....	25,420	33,007	21,500	23,000
Türkiye.....	18,250	16,000	17,250	21,000
Argentina.....	17,640	22,150	12,550	15,850
Kazakhstan.....	14,256	11,814	16,404	12,111
Iran.....	15,000	12,000	13,200	14,000
United Kingdom.....	9,658	13,988	15,540	13,980
Egypt.....	9,102	9,842	9,500	8,870
Brazil.....	6,235	7,769	10,554	8,100
United States.....	49,523	44,804	44,898	49,095
Moldova.....	570	1565	855	1,555
Serbia.....	2,874	3,400	3,300	3,400
Others.....	57,423	57,773	54,254	65,341
World Total.....	772,705	780,404	789,381	796,878

Source: USDA Foreign Agricultural Service.

The table below provides information on major wheat exporters and wheat export volumes for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
Russia.....	39,100	34,000	49,000	55,500
European Union.....	29,736	31,927	35,079	37,870
United States.....	29,636	21,347	20,279	19,594
Canada.....	27,722	15,010	25,334	25,663
Australia.....	19,720	25,958	32,329	22,504
Ukraine.....	16,851	18,844	17,122	18,577
Argentina.....	9,597	17,651	4,681	7,282
Kazakhstan.....	8,128	8,455	9,862	8,409
Türkiye.....	6,571	6,646	6,953	9,998
Brazil.....	911	3,105	2,689	2,812
Egypt.....	705	300	661	1,850
Moldova.....	89	727	455	1,306
Serbia.....	961	1,220	901	1,343
Others.....	9,891	20,996	12,307	11,396
World Total.....	199,618	206,186	217,652	224,104

Source: USDA Foreign Agricultural Service

The table below provides information on production of corn by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
United States.....	357,819	381,469	346,739	389,667
China.....	260,670	272,552	277,200	288,842
Brazil.....	87,000	116,000	137,000	122,000
European Union.....	67,440	71,672	52,329	61,452
Argentina.....	55,000	52,000	37,000	50,000
India.....	31,647	33,730	38,085	37,665
Ukraine.....	30,297	42,126	27,000	32,500
Mexico.....	27,346	26,762	28,077	23,500
South Africa.....	16,951	16,137	17,100	13,400
Canada.....	13,563	14,611	14,539	15,421
Indonesia.....	12,600	12,700	12,400	12,700
Russia.....	13,872	15,225	15,832	16,600
Nigeria.....	12,400	12,745	12,949	11,053
Ethiopia.....	10,022	9,400	10,200	10,000
Pakistan.....	8,940	9,525	10,985	9,847

Philippines.....	8,352	8,344	8,322	8,100
Moldova	785	2,792	752	1,500
Serbia	8,100	6,027	4,600	6,800
Others	109,058	113,832	109,561	114,872
World Total	1,131,862	1,217,649	1,160,670	1,225,919

Source: USDA Foreign Agricultural Service

The table below provides information on major corn exporters and world corn export volumes for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
United States.....	68,293	62,903	42,844	59,000
Brazil.....	27,492	31,921	53,285	46,500
Argentina.....	36,544	38,853	25,740	31,500
Ukraine.....	23,864	26,980	27,122	29,600
European Union.....	3,735	6,027	4,196	4,400
Russia.....	3,989	4,000	5,900	6,200
Paraguay.....	2,563	3,187	3,968	2,900
South Africa.....	2,751	3,830	3,619	2,500
Canada.....	1,592	2,200	2,839	2,000
Burma.....	2,600	2,300	2,000	2,750
Serbia	3,157	1,495	534	2,100
Others	7,669	9,842	8,798	7,215
World Total	184,249	193,538	180,845	196,665

Source: USDA Foreign Agricultural Service

The table below provides information on production of barley by country for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
European Union.....	54,235	52,065	51,829	47,857
Russia.....	20,629	17,505	21,500	20,500
Australia.....	14,649	14,337	14,137	10,800
Canada.....	10,741	6,984	9,987	8,905
United Kingdom.....	8,117	6,961	7,385	6,963
Türkiye.....	8,100	4,500	7,400	8,000
Ukraine.....	7,947	9,923	6,100	6,350
Argentina.....	4,035	5,300	4,695	5,100
Kazakhstan.....	3,659	2,367	3,287	2,614
United States.....	3,717	2,626	3,787	4,052
Iran.....	3,600	2,700	3,000	3,000
Ethiopia.....	2,261	2,350	2,184	2,450
China.....	2,036	2,134	2,192	2,000
India.....	1,720	1,656	1,371	1,913
Iraq.....	1,850	360	235	200
Algeria.....	1,213	950	1,400	1,025
Moldova	107	253	133	220
Serbia	500	545	560	520
Others	12,396	11,760	9,715	10,119
World Total	161,512	145,276	150,897	142,588

Source: USDA Foreign Agricultural Service

The table below provides information on major barley exporters and world barley export volumes for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in thousand tonnes)			
Australia.....	8,342	8,007	7,765	7,100
European Union.....	7,399	7,332	6,666	6,752
Argentina.....	2,336	3,831	2,857	3,100

Russia		6,259	3,300	4,500	6,200
Ukraine		4,187	5,705	2,712	2,482
Canada		3,534	1,981	3,148	2,311
Kazakhstan		1,085	427	1,113	1,225
United Kingdom		1,290	764	1,123	777
United States		300	160	46	109
Türkiye		60	173	225	77
Uruguay		241	262	139	350
Moldova		16	148	39	152
Serbia		117	120	102	122
Others		2,404	132	114	148
World Total		36,281	32,342	30,549	30,905

Source: USDA Foreign Agricultural Service

Prices

The table below shows prices for wheat and corn for 2020/2021, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
Wheat	701.97	901.67	644.08	577.75
Corn	581.89	693.88	564.02	422.52

Source: USDA, Bloomberg.

Overview

Moldova

Moldova was producing in the range of 2,600 thousand tonnes of grain per year prior to the fall of the Soviet Union. The decade that followed Moldova's independence in 1991 can be characterised by the decline of the farming sector, stemming from a general lack of resources and the disappearance of the farming cooperatives. At that time, production levels were reduced to such an extent that production was barely sufficient to cover Moldova's domestic need. In the early 2000s, the Moldovan farming sector began to recover. According to the European Commission, grain production in Moldova varied widely from as low as 885 thousand tonnes in 2007/08 to 3,118 thousand tonnes in 2008/09. Such fluctuations in production levels were a direct consequence of climate conditions, including droughts which significantly affect agricultural production.

The State Hydrometeorological Service of Moldova reports that northern Moldova experiences a drought once every ten years on average, central Moldova once every five to six years, and southern Moldova once every three to four years. However, in the last two decades droughts have been registered more frequently and have generally been more severe and in certain years lasted the whole vegetative period (April-September). In 2007 and 2012, Moldova experienced its most severe droughts, with 80 per cent. of the country's territory impacted by the event, including widespread crop failures and food shortages. The drought in Moldova in 2019/20 resulted in the overall crop of major agricultural commodities (including wheat, barley, sunflower seeds and corn) being less than half the volumes in the previous season. This change in drought frequency has recently been assessed by scientists from the National Hydrometeorological Center, who concluded that, based on records from 1834-2000, the probability of "catastrophic droughts" (less than 50 per cent. of mean rainfall) has increased significantly, from one event every nine years to almost one event every two years.

Moldova is surpassing its pre-independence production level of 2,600 thousand tonnes of grain production per year. While such harvest levels are considered typical by current Moldovan standards, they are still below the production levels

achieved by leading grain producing countries. Together with the emergence of large farming enterprises and the general strong profitability of the farming industry, Moldova continues to improve its farming techniques, including through the increasing use of higher quality seeds which is aimed at achieving yields comparable to those of its global peers.

The table below provides information on major crop yield in Moldova for 2020/21, 2021/22, 2022/23 and 2023/24:

	2020/21	2021/22	2022/23	2023/24
	(in tonnes per hectare)			
Wheat.....	1.9	4.6	2.6	4.1
Barley	2.1	2.9	2.5	3.7
Corn	1.9	5.7	1.7	3.1
Sunflower seed.....	1.3	2.5	1.5	2.0

Source: USDA Foreign Agricultural Service.

Wheat production in Moldova increased from 855 thousand tonnes (455 thousand tonnes exported and 400 thousand tonnes consumed domestically) in 2022/23 to 1.56 million tonnes (1,306 thousand tonnes exported and 254 thousand tonnes consumed domestically) in 2023/24. Wheat production yields in Moldova were 2.6 tonnes per hectare in 2022/23 and 4.1 tonnes per hectare in 2023/24.

Corn production in Moldova increased from 752 thousand tonnes in 2022/23 to 1,500 thousand tonnes in 2023/24, according to USDA data. Corn production yields in Moldova were 1.7 tonnes per hectare in 2022/23 and 3.1 tonnes per hectare in 2023/24.

Serbia

Wheat production in Serbia increased from 3.3 million tonnes (934 thousand tonnes exported and 2.4 million tonnes consumed domestically) in 2022/23 to 3.4 million tonnes (1.1 million tonnes exported and 2.3 million tonnes consumed domestically) in 2023/24. Wheat production yields in Serbia were 5.3 tonnes per hectare in 2022/23 and 4.7 tonnes per hectare in 2023/24 according to the USDA.

Corn production in Serbia increased from 4.6 million tonnes (550 thousand tonnes exported and 4.1 million tonnes consumed domestically) in 2022/23 to 6.8 million tonnes (2.6 million tonnes exported and 4.2 million tonnes consumed domestically) in 2023/24 according to USDA data. Corn production yields in Serbia were 4.8 tonnes per hectare in 2022/23 and 7.5 tonnes per hectare in 2023/24.

Grain Exports

Moldova, Romania and Serbia are leading suppliers of grains to countries in Europe, Northern Africa and the Middle East. At present, Moldova, Romania and Serbia are primarily exporters of feed wheat, corn and barley.

Moldova continues to develop closer economic ties with the European Union. This has translated into growth in exports for both grains and milling industry products, which have been supported by the EU associated member status. Moldova signed an Association and Free Trade Agreement with the EU which came in force in September 2016. The main importers of Moldovan grain are the EU, the Middle East and North African regions.

Moldova, Romania and Serbia are well-positioned for exports to the Mediterranean market as one of the closest major grain producers with a developed grain trans-shipment infrastructure offering logistics and cost advantages. The trans-shipment infrastructure is connected to its extensive railway network to most of the grain elevators in these countries.

BUSINESS

Overview

The Group is a leading agro-industrial business in the CEE region. In addition to being the largest originator, processor and exporter of agri-commodities in Moldova, the Group has expanded its origination and processing activities into Romania, Serbia and other CEE countries.

In FY 2023/24, the Group sold 5,323 thousand tonnes of agricultural commodities. The Group originated nearly 62 per cent. and 23 per cent. of all sunflower seeds and wheat, respectively, produced in Moldova in FY 2023/24, according to the Company's calculations based on USDA data. The Group was the largest exporter of agricultural commodities in Moldova, with a share of 36 per cent. of the country's exports of agri-commodities in FY 2023/24, according to the Company's calculations based on USDA data.

The Group has been successfully diversifying its origination operations, with 90 per cent. of origination and marketing revenue attributable to origination and marketing activities in the CEE region based on the country from which the commodities were sourced (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil based on the country where the commodities were sourced (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively) in FY 2023/24. 32 per cent., 30 per cent., 17 per cent., 16 per cent. and 3 per cent. of the Group's EBITDA was attributable to Ukraine, Moldova, Serbia, Romania and Argentina based on the country where the commodities were sourced in FY 2023/24, respectively. As of 30 June 2024, 56 per cent. 27 per cent., 10 per cent. and 7 per cent. of the Group's non-current assets were located in Moldova, Serbia, Romania and Ukraine, respectively.

For FY 2023/24, 38.2 per cent. of the Group's origination and marketing revenue was attributable to customers located in the MENA region (with 10.2 per cent., 8.1 per cent. and 6.2 per cent. of total origination and marketing revenue attributable to Egypt, Iraq and Oman, respectively), 22.4 per cent. to the European Union (with 9.6 per cent. and 3.8 per cent. of total origination and marketing revenue attributable to Spain and Bulgaria, respectively), 18.5 per cent. to Asia (with 11.5 per cent. and 5.3 per cent. of total origination and marketing revenue attributable to India and Singapore, respectively) and 17.0 per cent. to Türkiye. Only 2.5 per cent., 0.4 per cent. and 0.9 per cent. of total origination and marketing revenue was attributable to Serbia, Moldova and Romania respectively. In terms of total revenue, 47 per cent., 33 per cent., 19 per cent. and 1 per cent. was attributable to the MENA region and Türkiye, the European Union and Serbia, Asia and Moldova, respectively in FY 2023/24.

The Group's business is vertically integrated, with operations across the entire value chain. The Group was the largest agri-processor in Moldova, accounting for over 94 per cent. of sunflower seeds crushed in Moldova in FY 2023/24. It is a leader in the handling, storage and trans-shipment of agricultural products in Moldova, with a total storage capacity of over 1 million tonnes, which represents approximately 90 per cent. of Moldova's total agricultural commodities storage capacity, according to Company data. The Group operates 46 inland silo storage facilities (including 13 in Moldova, one in Romania and 32 in Serbia), five sunflower crushing and refining plants in Moldova, Romania and Serbia, with a total crushing capacity of 4,200 tonnes per day and four grain and meal export terminals and one oil export terminal, all of which are located near the coast or on major inland waterways in Moldova, Ukraine and Serbia, with a total trans-shipment capacity of 3.6 million tonnes per year to 3.9 million tonnes per year. The Group also has a fleet of own and rented railcars and trucks.

The Group's principal sources of revenue include sales of grain and seeds, vegetable oil, oil meal and packed vegetable oil, which collectively accounted for 98.4 per cent. of the Group's total revenue in FY 2023/24, as compared to 97.8 per cent. in FY 2022/23. The Group's remaining revenue is derived from the storage, cleaning and drying of grain and oilseed.

In FY 2023/24, the Group had total revenue of U.S.\$2,309,707 thousand, EBITDA of U.S.\$212,478 thousand and profit for the year of U.S.\$67,617 thousand, as compared to total revenue of U.S.\$2,134,338 thousand, EBITDA of U.S.\$184,303 thousand and profit for the year of U.S.\$73,399 thousand in FY 2022/23. The Group's EBITDA margin was 9.2 per cent. in FY 2023/24 as compared to 8.6 per cent. in FY 2022/23. The Group's net profit margin for the year was 2.9 per cent. in FY 2023/24, as compared to 3.4 per cent. in FY 2022/23.

The Group's Adjusted Net Debt to EBITDA ratio was 1.4x in FY 2021/22, 1.6x in FY 2022/23 and 1.5x in FY 2023/24. The Group's Net Debt to EBITDA ratio was 2.8x in FY 2021/22, 3.8x in FY 2022/23 and 3.5x in FY 2023/24.

Origination and Marketing

The Group originates oilseed and grain from farmers throughout the CEE region and internationally and sells these commodities to a wide range of international end-users and commodity trading firms across Europe, Asia and the MENA markets.

In FY 2023/24, the Group exported 2,850,685 tonnes of grain (primarily wheat (976,000 tonnes), corn (1,226,000 tonnes) and oilseed (1,036,422 tonnes)), as compared to 2,242,050 tonnes of grain (primarily wheat (635,000 tonnes), corn (1,125,000 tonnes) and oilseed (661,960 tonnes)) exported in FY 2022/23.

In FY 2023/24, the Group's origination and marketing revenue reached U.S.\$1,845,843 thousand, or 79.9 per cent. of the Group's total revenue, as compared to U.S.\$1,529,735 thousand, or 71.7 per cent. of the Group's total revenue in FY 2022/23.

The Group's sales and cash flow are subject to seasonal fluctuations, particularly in relation to agricultural harvest periods. The Group has historically managed this seasonality by supplementing operating cash flows with revolving credit facilities available to the Group from a number of international credit institutions. The Group generally incurs more short-term liabilities in the first half of the calendar year in connection with the purchases of agricultural commodities during the harvesting period, with working capital increasing during the first three quarters of the year, before decreasing in the fourth quarter as a result of sales of crops harvested. See "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Readily Marketable Inventories*".

Crushing and Refining

The Group is one of the largest sunflower seed crushers in the CEE region, operating five sunflower seed crushing and refinery plants, namely the Floarea Soarelui plant and the Trans-Oil Refinery plant in Moldova, the Tandarei crushing plant in Romania, the VictoriaOil oilseed crushing plant in Serbia and the Danube Oil crushing plant at Giurgiulesti in Moldova, with a total crushing capacity of 4,100 tonnes per day. In FY 2023/24, the Group was the leading oilseed processor in Moldova, accounting for over 93 per cent. of the domestic sunflower seed processing market, according to Company calculations based on USDA data. The Floarea Soarelui plant has a crushing capacity of 1,200 tonnes per day, refining capacity of 180 tonnes per day, bottling capacity of 150 tonnes per day and storage capacity of 45,000 tonnes of sunflower seeds. The Trans-Oil Refinery plant has a crushing capacity of 400 tonnes per day and storage capacity of 80,000 tonnes of grain equivalent, available at the neighbouring silo owned by the Group. The Tandarei crushing plant has a crushing capacity of 650 tonnes per day, refining capacity of 120 tonnes per day, modern bottling line capacity 75,000 bottles per day and storage capacity of 47,000 tonnes of grain equivalent spread across three elevators. The VictoriaOil oilseed crushing plant has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day. The Danube Oil crushing plant at Giurgiulesti in Moldova, which the Group completed construction of and started operating in September 2022, has a production capacity of 700 tonnes of premium organic sunflower oil per day. In FY 2023/24, the Group utilised approximately 65.7 per cent. of the crushing capacity of its Floarea Soarelui plant, 69.4 per cent. of the crushing capacity of its Trans-Oil Refinery plant, 58.2 per cent. of the crushing capacity of its Tandarei plant, 78.1 per cent. of the crushing capacity of its VictoriaOil oilseed crushing plant and 55.8 per cent. of the crushing capacity of its Danube Oil crushing plant at Giurgiulesti. The Group's total crushed volume was 788 thousand tonnes in FY 2023/24, as compared to 807 thousand tonnes in FY 2022/23.

The Group's crushing and refining revenue in FY 2023/24 reached U.S.\$427,124 thousand, or 18.5 per cent. of the Group's total revenue, as compared to U.S.\$558,039 thousand, or 26.1 per cent. of the Group's total revenue in FY 2022/23.

Vegetable (sunflower) oil

In FY 2023/24, the Group was the largest exporter of vegetable oil in Moldova, according to USDA data. The Group also produces vegetable oil at its Tandarei plant in Romania. In FY 2023/24, the Group exported 257,493 tonnes, as compared to 259,127 tonnes in FY 2022/23. The Group's total sales of vegetable oil (including traded oil) in FY 2023/24 were 854,590 tonnes, which generated revenue of U.S.\$813,190 thousand, or 35.2 per cent., of the Group's total revenue, as compared to 502,313 tonnes of total bulk oil sales, which generated revenue of U.S.\$654,245 thousand, or 30.7 per cent., of the Group's total revenue in FY 2022/23.

The Group's total sales of vegetable oil (including traded oil) in FY 2023/24 were 854,590 tonnes, which generated revenue of U.S.\$813,190 thousand, or 35.2 per cent., of the Group's total revenue, as compared to 502,313 tonnes of total

bulk oil sales, which generated revenue of U.S.\$654,245 thousand, or 30.7 per cent., of the Group's total revenue in FY 2022/23.

Packed vegetable (sunflower) oil

In FY 2023/24, the Group was the largest producer and vendor of packed vegetable oil in Moldova, according to Company data. In FY 2023/24, the Group sold 62.2 million litres (equivalent to 56,929 tonnes) of packed vegetable oil (including traded oil), both domestically and internationally, generating revenue of U.S.\$68.377 thousand, or 3.0 per cent., of the Group's total revenue in FY 2023/24, as compared to 70.3 million litres (equivalent to 64,415 tonnes) of packed vegetable oil sold both domestically and internationally in FY 2022/23, generating revenue of U.S.\$96,410 thousand, or 4.5 per cent., of the Group's total revenue in FY 2022/23.

The increase in sales of vegetable oil was primarily attributable to sales of traded vegetable oil in the context of its origination and marketing activities, before the entry into force of the import licensing mechanism. See “—*Regulatory Compliance—Import Licensing Mechanism*”.

Infrastructure

The Group controls almost all of the inland and sea export agricultural infrastructure in Moldova, with an extensive silo network and strategic export terminals. The Group is also focused on utilising the Danube waterway in exploiting various local pockets of demand for agricultural commodities. In particular, it has entered into arrangements with several partner terminals and operators at the Black Sea port of Constanța, as described under “—*Export Terminals—Partner Terminals*”.

Silo services

The Group operates the largest grain silo network in Moldova (consisting of 13 inland silo storage facilities), one storage facility in Romania, and 32 storage facilities in Serbia with an aggregate storage capacity of over 1 million tonnes across its inland storage facilities, ports and crushing and refining plants. The Group also provides grain handling, trans-shipment and storage services to third parties. The Group's storage, cleaning, drying and trans-shipment services and sale of other products generated external revenue of U.S.\$17,108 thousand in FY 2023/24, as compared to U.S.\$9,115 thousand in FY 2022/23.

Grain and oil export terminals

The Group operates two grain terminals and one oil terminal located at the Giurgiulesti port in Moldova, two grain terminals at the Reni port in Ukraine and two grain terminals at Bačka Palanka and Pančevo, Serbia. The Group's Giurgiulesti port facility is the only grain and oil seagoing export facility in the south of Moldova. It has two grain terminals and one oil terminal, with a trans-shipment capacity of 1,600 thousand tonnes per year, representing 75 per cent. of the country's trans-shipment capacity, according to Company data. The Group's Reni port facility is one of the major seagoing export facilities in the south-western part of Ukraine with a trans-shipment capacity of approximately 800 thousand tonnes per year. The Group's Bačka Palanka and Pančevo facilities are the major seagoing export facilities in Serbia with a trans-shipment capacity of approximately 2,000 thousand tonnes per year.

History

Trans-Oil Ltd. was originally founded by James Kelley in Indiana, United States of America, in the 1950s, and started trading grain and agricultural products in the Black Sea region in 1997. In 1998, Trans-Oil Ltd. acquired the then-biggest grain elevator in Moldova. In 2004, Trans-Oil Ltd. was acquired by Vaja Jhashi, the current controlling shareholder of the Group (see “*Share Capital and Dividends*”). The financial headquarters of the Group were subsequently moved to Switzerland.

In the 2000s, the Group began its transformation from a small, successful trading house to a vertically integrated corporation owning storage facilities, crushing plants and port terminals. The Group also began to develop strong, long-term relationships with leading banking and commodity finance institutions. In 2006, WBC, a U.S.-based DFI, provided a U.S.\$10.0 million long-term investment loan to the Group, and in 2010, the EBRD and Société Générale provided a U.S.\$12.0 million long-term investment loan and U.S.\$12.0 million working capital loan to the Group.

Starting from 2009, the Group began to develop key infrastructure in Moldova. As Moldova is landlocked, with no direct access to vessel loading ports, the Group decided to pioneer the construction of Moldova's first grain loading terminal in Giurgiulesti international port on the Danube River in the south of Moldova, which was commissioned in 2009. This facility serves as the main platform for Moldovan grains and vegetable oils to access the international markets.

In 2010, the Group launched its first crushing plant, the Trans-Oil Refinery, located in Ceadir-Lunga in the south of Moldova which is capable of crushing up to 400 tonnes of sunflower seeds per day. In 2011, the Group acquired its main competitor in Moldova, WJ Group of companies (the Moldovan part of WJ Holding), which allowed it to obtain control over the largest Moldovan crushing plant, Floarea Soarelui, located in Balti in the north of Moldova, as well as five storage silos and 84 procurement points throughout the country. In 2014, the Group successfully upgraded the press/preparation and extraction divisions of the Floarea Soarelui crushing plant, which enabled the factory to increase the crushing capacity to 1,200 tonnes of sunflower seeds per day, and installed a new biomass high-pressure steam boiler in place of the less efficient existing units.

In 2012, the IFC, Deutsche Investitions- und Entwicklungsgesellschaft (German Investment Corporation) (“**DEG**”) and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Netherlands Development Finance Company) (“**FMO**”) provided a U.S.\$70.0 million long-term loan to the Group to refinance acquisition of the assets of WJ Group. In 2013, the Group obtained a pre-export loan of U.S.\$51.0 million from a syndicate of international banks, including Banque de Commerce et de Placements, IIG Bank, Hinduja Bank and FIMBANK.

In 2014, the Group acquired two port terminals with two simultaneous loading berths in Reni (Ukraine), increasing the Group’s total storage capacity by 73,000 tonnes and its trans-shipment capacity by 800,000 tonnes. The Group also borrowed U.S.\$155.0 million of pre-export trade finance facility from a syndicate of international banks and financial institutions, including Société Générale, the IFC, Erste, Banque de Commerce et de Placements, Banque Cantonale Vaudoise, FIMBANK and EFA Dynamic Trade Finance Fund.

In 2014, one of the Group’s subsidiaries acquired the Tandarei oilseed crushing plant in eastern Romania through insolvency proceedings in respect of Ultex. However, as this was not in compliance with the terms of the Group’s financing arrangements in force at the time of the acquisition, the Group divested the subsidiary that had acquired the Tandarei plant. Subsequently, the acquisition was refinanced by a Romanian lender, who then enforced the security to which it was entitled under the terms of the refinancing and became the Tandarei plant’s owner. The Tandarei plant’s owner leased it to a vehicle controlled by the Group’s shareholder, who had an option to repurchase the plant to the extent it repaid the remaining indebtedness. In March 2019, the Group exercised this option for a total consideration of approximately EUR 10 million. The acquisition was financed by the International Investment Bank (the “**IIB**”). Additional working capital financing in the amount of EUR 10 million was also approved by the IIB. The Group signed the facility agreement with the IIB on 15 March 2019. Following the closing of the transaction, the Group hired over 30 people within the de-hulling and extraction departments and in June 2019, a new meal granulator with a total capacity of 15 tonnes of meal per hour was commissioned. Also in 2019, the Tandarei plant received the Good Manufacturing Practices (GMP+) certification, and it was also certified in accordance with International Sustainability and Carbon Certification (“**ISCC**”) standards. The operational integration of the Tandarei oilseed crushing plant commenced with the inception of the crushing season at the end of August 2019.

In 2016, the Group’s port facility in Giurgiulesti (Moldova) was expanded, increasing this port facility’s trans-shipment capacity by more than two times to 1,600 tonnes and its storage capacity to 70,000 tonnes.

In July 2017, the Group launched an e-trade platform for agricultural producers (www.transoilmarket.com). This was the first platform in Moldova enabling suppliers of grain crops to offer wheat, corn, barley, soya beans, rape, pea beans and sunflower seeds for sale to the Group, which is the largest purchaser of grain crops in Moldova. By providing online access to purchasing prices and transportation tariffs, the Group enables agricultural producers and transportation companies sell directly, bypassing intermediaries, at actual market prices.

In April 2019, the Group tapped the international capital markets by issuing the 2024 Notes. This was the debut issue for the Group as well as the first Eurobond issue for a group based in Moldova.

In June 2019, Oaktree Capital Management, via its controlled entity Cooperstown SARL, acquired a 12.5 per cent. stake in the Company through the conversion of a loan granted to the Group in 2015 into equity, thus becoming a shareholder of the Group. Oaktree Capital Management is a leading American global asset management firm specialising in alternative investment (including private equity) with over U.S.\$175 billion of assets under management. The Parent, Mr. Vaja Jhashi and Oaktree Capital Management are considering strategic options in relation to the equity stakes of Mr. Vaja Jhashi and Oaktree Capital Management in the Parent and discussing with various potential new strategic investors potential sell downs of minority stakes (in case of Mr. Vaja Jhashi) and the full exit from the investment (in case of Oaktree Capital Management), in the Parent. As part of these ongoing discussions, Mr. Vaja Jhashi and the Parent are also negotiating potential equity injections from such strategic investors to support further continued development of the Group.

In August 2021, the Group relocated its headquarters from Moldova to Romania.

In December 2021, the Group acquired two grain terminals at Bačka Palanka and Pančevo, Serbia. The Group's Bačka Palanka and Pančevo facilities are the major seagoing export facilities in Serbia with a trans-shipment capacity of approximately 2,000 thousand tonnes per year.

In December 2020, the shareholders of the Group acquired VictoriaOil, which is one of Serbia's leading agri-business companies and one of the largest producers and exporters in both Serbia and the region. The VictoriaOil oilseed crushing plant has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,100 tonnes of sunflower seeds per day. VictoriaOil was controlled by and, for financial reporting purposes, consolidated into the Group in 2021. The shares of VictoriaOil continue to be held by the shareholders of the Group in trust for the benefit of the Group. The Group has begun the process of completing the formal transfer of legal title to such shares from the shareholders to Trezeme Limited (an entity which is a member of the Group). An application will be made to the relevant authorities by 30 November 2024 for the registration of the transfer of the shares and the transfer is expected to be completed by 31 December 2024. Irrespective of the completion of the transfer, VictoriaOil is a Subsidiary of the Group for purposes of the Conditions and will be subject to the restrictions thereunder upon issuance of the Notes (see "*—Terms and Conditions of the Notes*").

In December 2021, the Group acquired the largest grains and logistics business in Serbia, with a chain of 33 silos (one of which was disposed in 2023) and two port terminals on the Danube River. Through this acquisition, the Group became the largest player in the soft commodities business in Serbia.

In September 2022, the Group completed construction of and started operating Danube Oil Company SRL, a new vegetable oil crushing facility located at Giurgiulesti port on the Danube River in the south of Moldova. The Danube Oil crushing plant has a production capacity of 700 tonnes of premium organic sunflower seeds per day.

In October 2024, Global Grain International, a subsidiary of the Group, signed a sale and purchase agreement to acquire Frial SA, which operates as a storage and handling services provider in the port of Constanța. It is the largest terminal for crude vegetable oil at the port of Constanța, has a length of 114 metres and a depth of 8 metres, allowing the operation of ships with a capacity of approximately 12,000 freight tonnes and has a storage capacity of approximately 27.6 thousand tonnes (7 tanks). See "*—Recent Developments*" below for further detail.

Transformation of the Group's Business

The Group has transformed its business since the issuance of the previous Eurobond in 2021, from a business with assets primarily in Moldova to an international group with an established presence in Moldova, Romania and Serbia, which is now headquartered in Romania, having relocated from Moldova in 2021. This has resulted in approximately 70 per cent. of its EBITDA being generated outside of Moldova in the year ended 30 June 2024, compared to approximately 43 per cent. for the twelve months ended 31 December 2021. Over this period, it has expanded its infrastructure from 13 silos and three crushing plants to reach 46 silos, 5 crushing plants and its own fleet of railcars, trucks and barges. The proportion of its EBITDA attributable to crushing and refining increased from approximately 25 per cent. in the twelve months ended 31 December 2021 to approximately 29 per cent. in the year ended 30 June 2024.

The Group's revenue grew at a compound annual growth rate ("**CAGR**") of 126 per cent. from U.S.\$1,024,190 thousand for the twelve months ended 31 December 2021 to U.S.\$ 2,309,707 thousand for the year ended 30 June 2024. Over the same period, its EBITDA grew from U.S.\$107,921 thousand to U.S.\$212,478 thousand, reflecting a CAGR of 96 per cent.

Notwithstanding the significant expansion of its business, the Group has maintained its leverage and fixed charge coverage ratios. The Group's Adjusted Net Debt to EBITDA ratio was 1.5x in FY 2023/24, as compared to 1.4x in the twelve months ended 31 December 2021 and the fixed charge coverage ratio was 2.2x in FY 2023/24, as compared to 2.4x in the twelve months ended 31 December 2021. Over this period, it expanded its group of lending banks from 7 to 14 and it was upgraded to B+ by Fitch from B in 2021. Its rating from S&P was stable at B-.

Geographic Presence

The geographic presence of the Group's operating facilities in the CEE region is illustrated below.



The Group operates the largest grain silo network in Moldova (consisting of 13 inland silo storage facilities), one storage facility in Romania, and 33 storage facilities in Serbia with an aggregate storage capacity of over 1 million tonnes across its inland storage facilities, ports and crushing and refining plants. The Group also provides grain handling, trans-shipment and storage services to third parties. The Group's Floarea Soarelui plant is located in Balti in the north of Moldova, its Trans-Oil Refinery plant is located in Ceadir-Lunga in the south of Moldova, its Tandarei plant is located in eastern Romania, the VictoriaOil plant (see also "Risk Factors — Risks Relating to the Group's Business — The Group may not be able to complete or integrate successfully any planned or potential acquisitions" and "Related Party Transactions — VictoriaOil") is located in Sid, Serbia and its Danube Oil crushing plant is located at Giurgiulesti port on the Danube River in the south of Moldova. The Group also operates two grain terminals and one oil terminal located at Giurgiulesti port on the Danube River in the south of Moldova and two grain terminals at Reni port in the south-west part of Ukraine, which are also connected to the national railway network and two grain terminals at Bačka Palanka and Pančevo, Serbia.

Competitive strengths

The Group believes that it has a number of key strengths that have contributed to its commercial success and which will be important for the implementation of its strategy.

Strategically located global business operating in close proximity to attractive and growing markets with flexibility to shift its origination activities in response to market developments

The Group operates in the Black Sea region (which includes Moldova, Romania, Serbia, Ukraine and Türkiye), which is the largest producer and exporter of oilseed, oil, wheat and corn, accounting for approximately 60 per cent., 85 per cent., 32 per cent. and 21 per cent. of global exports and 62 per cent., 70 per cent., 18 per cent. and 7 per cent. of global production, respectively, in FY 2023/24 according to USDA data. The Group's focus on these regions provides it with access to inventories at attractive costs on a relative basis, both due to the lower cost of sourcing and its access to infrastructure. Nevertheless, the Group has demonstrated its flexibility in sourcing, for example when it was able to pivot its origination activities to South America in response to the severe drought in Moldova in 2021. Were there to be an escalation in military activities in Western Ukraine, the Group similarly believes that it would be able to re-route its origination activities to other countries such as in South America.

The Group's operations are also strategically located in close proximity to major export destinations, particularly the European and MENA markets with a total population of over 700 million and 450 million people, respectively. The

commodities trade with the MENA market in particular has been growing significantly over the past three years, according to USDA data. Europe represents a large mature market for agricultural commodities with stable demand. The European market and the MENA market are located in close proximity to each other and are complementary. Over the past 20 years, the Group has developed an established network of international clients across these key markets.

The Group benefits from favourable sector fundamentals, with global production of sunflower seed, sunflower oil and corn growing by 6 per cent. from FY 2021/22 to FY 2023/24 (from 52.8 million tonnes in FY 2021/22 to 56 million tonnes in FY 2023/24), by 2 per cent. (from 22.0 million tonnes in FY 2021/22 to 22.2 million tonnes in FY 2023/24), and by 6.0 per cent. (from 1,160.0 million tonnes in FY 2021/22 to 1,220 million tonnes in FY 2023/24), respectively, and stable global demand for wheat (with global consumption changing from 789.5 million tonnes in FY 2021/22 and 791.0 million tonnes in FY 2023/24), according to USDA forecast data. The Group expects prices for its main export commodities (sunflower seed, oil, wheat and corn) to remain stable or increase, driven mainly by expected growth in global demand supported both by population growth and by growing consumption in emerging economies.

Management believes that customer trust in products originating from the CEE region and the Group's expansive presence in the rapidly growing organic and high-oleic sector of the market allows it to achieve higher gross margins.

Leading agro-industrial business in CEE

The Group is a leading agro-industrial business in the CEE region. In addition to being the largest originator, processor and exporter of agri-commodities in Moldova, the Group has expanded its origination and processing activities into Romania, Serbia and other CEE countries.

The Group originated 46 per cent. and 31 per cent. of sunflower seeds and wheat produced in Moldova in FY 2023/24, respectively, according to the Company's calculations based on USDA data. It was also the largest agri-processor in Moldova, accounting for over 93 per cent. of sunflower seeds crushed in Moldova in FY 2023/24. The Group was the largest exporter of agricultural commodities in Moldova with a share of 54 per cent. of the country's exports of agri-commodities in FY 2023/24, according to the Company's calculations based on USDA data.

The Group's control over almost all of the inland and sea export agricultural infrastructure in Moldova provides it with a key advantage over actual and potential competitors, who face significant barriers to enter the market. The Group surpasses its closest Moldovan competitors by more than eight times in terms of revenue from agricultural export operations, according to Company data. Management also believes that there is no other suitable land available for the construction of alternative export terminals and there are very few alternative sites for silos available in Moldova, as land with access to the rail network is limited. Management believes that the Group's infrastructure could not be replicated by a competitor without substantial investments or in partnership with the Group.

The Group has been successfully diversifying its operations through targeted acquisitions which have expanded its footprint in the CEE region. For instance, in June 2019, the Group acquired the Tandarei crushing plant, which is located in Romania, and has a crushing capacity of 650 tonnes per day, refining capacity of 120 tonnes per day, modern bottling line capacity 75,000 bottles per day and storage capacity of 47,000 tonnes of grain equivalent. In December 2020, the shareholders of the Group acquired VictoriaOil, which is one of Serbia's leading agri-business companies and one of the largest producers and exporters in both Serbia and the region. The VictoriaOil oilseed crushing plant, has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day. VictoriaOil was controlled and consolidated into the Group in 2021 (see also "*Risk Factors — Risks Relating to the Group's Business — The Group may not be able to complete or integrate successfully any planned or potential acquisitions*" and "*Related Party Transactions — VictoriaOil*").

Additionally, in December 2021, the Group acquired the largest grains and logistics business in Serbia, with a chain of 33 silos and two port terminals on the Danube River. By this acquisition, the Group became the largest player in the soft commodities business in Serbia.

Vertically integrated platform supporting high operating efficiency and sustainable business performance

The Group has a vertically integrated business platform encompassing origination, storage, crushing and refining capacities and domestic and international sales, including export infrastructure. The Group owns five crushing plants with a total crushing capacity of 4,100 tonnes per day, refining capacity of 480 tonnes per day and bottling capacity of 450 tonnes per day. The Group's operating facilities include 13 inland silo storage facilities in Moldova, one storage facility in Romania, and 32 storage facilities in Serbia with an aggregate storage capacity of over 1 million tonnes across its inland storage facilities, ports and crushing and refining plants, 85 commodity procurement points, and export facilities in two ports (two

own grain and access to one oil terminal) with a trans-shipment capacity of 1,600 thousand tonnes per year at Giurgiulesti port and two grain terminals with a trans-shipment capacity of approximately 800 thousand tonnes per year at Reni port and two grain terminals at Bačka Palanka and Pančevo, Serbia with a trans-shipment capacity of approximately 2,000 thousand tonnes per year. These ports are connected to the national railway network of Moldova, Ukraine and Serbia, respectively. The Group was the largest agri-processor in Moldova, accounting for over 93 per cent. of sunflower seeds crushed in Moldova in FY 2023/24. The Group also owns a fleet of 175 of its own railcars complemented by 20 of its own trucks. In the peak season, the Group's fleet increases to approximately 300 railcars through the rental of additional railcars on a seasonal basis. Furthermore, the Group owns three river barges (two oil tankers and one dry bulk river carrier) and 2 handy-max type vessels.

The Group's business model spans the entire value chain, allowing it to profit from each stage of the production process, manage costs from the point of origination until export from its terminals, and limit its dependence on third party providers. In particular, ownership of key infrastructure allows the Group to control its costs, particularly crushing costs in the production of sunflower oil, and logistics costs, which can have a favourable impact on its profit margins. Management believes that the Group's leading market position, access to key global markets and stringent cost control within its own infrastructure enable it to generate attractive and sustainable margins.

The Group maintains a well-diversified supplier base represented by major crop farmers in the CEE region and internationally. The Group sources approximately half of its inventories from its captive farmers (see "*Origination and Processing of Raw Materials—Captive Farming*"). The Group sources more than half of its traded volumes through forward purchases and maintains different pricing policies for spot supplies depending on geographical regions and volumes.

The Group maintains established and well-diversified client networks, including international end-users and commodity traders in Europe, the Southern Mediterranean, Türkiye and the MENA region.

The Group continuously invests in upgrading its facilities. In particular, in 2019-2023, the Group carried out a significant upgrade of its Floarea Soarelui plant, by constructing a brand-new sunflower bottling plant. Furthermore, the VictoriaOil oilseed crushing plant, with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day was controlled and consolidated into the Group in 2021 (see also "*Risk Factors — Risks Relating to the Group's Business — The Group may not be able to complete or integrate successfully any planned or potential acquisitions*" and "*Related Party Transactions — VictoriaOil*"). In September 2022, the Group completed construction of the Danube Oil crushing plant at Giurgiulesti with production capacity of 700 tonnes of premium organic sunflower seeds per day. Over the past several years, the Group has also acquired a fleet of two dry cargo river barges, one river oil tanker, one handy-max dry cargo motor vessel and one handy-max oil motor vessel. In July 2024, the Group strengthened its fleet by acquiring a motor tanker with a carrying capacity of up to 17,000 tonnes of oil.

Diversified U.S. Dollar denominated revenue streams

The Group's revenue is primarily denominated in US Dollars and Euro (which accounted for 99 per cent. of revenue in FY 2023/24. This minimises the Group's exposure to local currency foreign exchange risk.

The Group also has a well-diversified crop structure that supports stable performance. In particular, the Group is able to increase origination and sales volumes of higher value commodities in order to sustain stable blended trading margins at times when prices fluctuate across the range of commodities that the Group sells (such as sunflower seed, wheat and corn).

The Group's sales contracts are negotiated mainly under GAFTA contract terms that allow efficient hedging mechanics, thereby reducing price fluctuation risks.

Strong growth and sustainably high margins

In FY 2023/24, the Group's revenue increased by 8.2 per cent. to U.S.\$2,309,707 thousand, as compared to U.S.\$2,134,338 thousand for FY 2022/23. In FY 2023/24, the Group's EBITDA rose by 18.0 per cent. to U.S.\$212,478 thousand, as compared to U.S.\$184,303 thousand in FY 2022/23. The Group's profit was U.S.\$67,617 thousand and U.S.\$73,399 thousand in FY 2023/24 and FY 2022/23, respectively.

In FY 2023/24, the Group's origination and marketing revenue increased by 20.7 per cent. to U.S.\$ 1,845,843 thousand, as compared to U.S.\$1,529,735 thousand, or 71.7 per cent. of the Group's total revenue in the FY 2022/23. The Group's origination and marketing revenue decreased in FY 2022/23 compared to the previous year due to a decrease in volumes from Russia, lower volumes from Latin America and reduced crop production in Romania and Moldova. In FY 2023/24,

the Group was able to increase its origination and marketing revenues as a result of the ramped-up operations in Serbia and Romania, as well as the spike in commodity prices.

The Group enjoys high and sustainable margins, with a gross profit margin of 16.9 per cent., a net profit margin of 2.9 per cent. and an EBITDA margin of 9.2 per cent. in FY 2023/24. The Group also benefits from operational efficiencies resulting from stringent cost control. The Group has the ability to shift its focus between business lines and commodities with higher margins, depending on prevailing market prices for its crops and refined products. In FY 2023/24, 70.4 per cent. of the Group's aggregate origination and marketing and crushing and refining EBITDA was generated outside of Moldova and 3.8 million tonnes of commodities were originated and marketed outside of Moldova.

The Group's gross profit and EBITDA margins are higher than most of the average margins of its peers (based on margins for FY 2023/24), including Kernel (15.2 per cent. and 11.3 per cent. gross profit margin and EBITDA margin, respectively), GrainCorp (12.6 per cent. and 5.0 per cent., respectively), ADM (7.4 per cent. and 5.4 per cent., respectively), Linas Agro (7.8 per cent. and 4.4 per cent., respectively), Bunge (6.8 per cent. and 4.8 per cent., respectively) and LDC (4.5 per cent. and 3.7 per cent., respectively), according to their IFRS financial statements for the relevant periods.

Ongoing deleveraging

The financial profile of the Group was substantially strengthened with the U.S.\$300-million debut issue of the 2024 Notes, the successful refinancing of the 2024 Notes and upsizing to U.S.\$400 million in 2021 and two subsequent U.S.\$50 million tap issuances, bringing the aggregate amount outstanding to U.S.\$500 million. Additionally, the Group substantially improved its financial position, with the renewal and increase in July 2023 of its pre-export finance facility granted to TOI Commodities SA arranged by ING Bank N.V. for another two years until 30 June 2025 for a maximum amount up to U.S.\$200 million, as well as with the execution of a new committed facility for U.S.\$43 million (the "**Pre-Crop syndicated facility**") in December 2023, with maturity in December 2024. During the first quarter of FY 2023/24, additional bilateral lines (transactional and uncommitted) were also granted and the previous lines were renewed by TOI Commodities SA for a total amount of up to U.S.\$260 million.

The pre-export finance facility is syndicated by a number of DFIs and international financial institutions. As at 30 June 2024, the Group had a U.S.\$1,000 thousand carrying amount. The pre-export finance facility supports sustainable liquidity and financing of working capital needs through the RMI cycle.

The Pre-Crop Syndicated Facility is arranged by FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) together with other DFIs. As at 30 June 2024, the Pre-Crop Syndicated Facility had a carrying amount of U.S.\$43,000 thousand. The Pre-Crop Syndicated Facility is dedicated to support the Group's working capital needs for the origination of commodities from Ukraine. During FY 2023/24, the Group had capitalised borrowing costs in the amount of U.S.\$2.499 million and a capitalisation rate of 8.97 per cent.

The maturity profile of the Group's borrowings has substantially improved, with 69.2 per cent. of the portfolio represented by long-term loans as at 30 June 2024.

The Group's Adjusted Net Debt to EBITDA ratio was 1.4x in FY 2021/22, 1.6x in FY 2022/23 and 1.5x in FY 2023/24. The Group's Net Debt to EBITDA ratio was 2.8x in FY 2021/22, 3.8x in FY 2022/23 and 3.5x in FY 2023/24.

Strong management team and corporate governance

The Group's senior management team has extensive experience in the sector led by Vaja Jhashi, the Group's controlling shareholder and CEO of the Group for the last 19 years. The Group's senior management team has a successful track record of value creation through organic growth and mergers and acquisitions aimed at strengthening and developing the Group's business. A substantial part of senior management's compensation is linked to the long-term financial performance and stability of the Group, which aligns management's interests with those of the Group's shareholders.

The Group has put in place corporate governance arrangements which it believes to be in line with industry best practices. In June 2018, the by-laws regulating the composition and structure, duties and powers, meetings and decision-making processes of the Board of Directors were approved. Since then, the Board of Directors has included four independent directors. All members of the Board of Directors have extensive experience in the agricultural sector. In addition, the Group has established an Audit Committee, which has been approved by the Board of Directors and is constituted by three directors, all of whom are independent. A Corporate Secretary position has also been formally established.

In developing its corporate governance arrangements, the Group has benefited from its cooperation with the IFC, whom the Group appointed in June 2017 to advise on the establishment of new corporate governance policies and procedures, including the establishment of the Board of Directors and board committees including the audit committee, formalising internal processes and training. See “*Management*” for further details of the Board of Directors and the Group’s corporate governance policies and procedures. The Group has also benefited from the expertise of Oaktree, which acquired a 12.5 per cent. stake in the Company in June 2019. Oaktree’s expertise helped to increase the Group’s reach and geography of commodities origination and improve governance standards. One of the Group’s Board members, Tommy Gade Jensen, who was appointed by Oaktree, has brought significant expertise to the Board. Oaktree Capital Management is considering strategic options in relation to its stake in the Parent, as discussed further under “*Share Capital and Dividends — Shareholders*”.

The Group has established prudent risk management policies to monitor, prevent and limit operational, financial and market risks. The Group has been preparing financial reports in accordance with IFRS standards since 2012, which have been audited by leading independent international audit firms.

Strategy

The strategy of Trans-Oil Group is focused on maintaining a balanced approach for sustainable growth, driven by several key initiatives:

- **Building a CEE Regional Franchise:** The Group aims to strengthen its presence in the CEE region. This involves expanding its market reach and building a robust network of operations in the region, enabling it to capitalize on growth opportunities in neighbouring markets;
- **Strengthening Relationships with International Customers:** The Group is seeking to deepen its relationships with key international customers, enhancing trust and ensuring long-term partnerships. This strategy is designed to solidify its global footprint and foster stable revenue streams;
- **Developing the Danube Hub:** The Group plans to invest in the development of the Danube Hub, making it a central point for transportation and logistics. This will improve efficiency in the movement of commodities and strengthen its competitive position in the global supply chain;
- **Vertical Integration:** The Group is pursuing vertical integration across its operations to ensure control over its entire supply chain, from sourcing raw materials to delivering finished products. This allows the Group to manage costs, improve operational efficiency, and respond more flexibly to market dynamics; and
- **Diversification into High-Margin and Value-Added Activities:** The Group is diversifying into high-margin sectors and value-added activities, such as producing refined products and exploring niche markets. This diversification enhances profitability and mitigates risks associated with price volatility in the commodity markets.

These elements of the Group’s strategy are described in further detail below:

Building a CEE Regional Franchise

The Group intends to maintain its leadership in Moldova while at the same time further expanding its operations organically across selected geographies within the Danube region, including Serbia, Croatia, Slovenia, Romania and Hungary, as well as through targeted acquisitions within the Company’s established debt management policy and targets. Through these efforts, the Group intends to achieve strong market positions in selected countries in the CEE region as it has done in Moldova. The Group achieved its medium-term target for at least half of its EBITDA to be attributable to operations outside of Moldova. The next medium-term target of the Group is to achieve enough EBITDA from Romania and Serbia operations to cover its fixed charges.

In pursuit of this strategy, in December 2020, the shareholders of the Group acquired VictoriaOil, which is one of Serbia’s leading agri-business companies and one of the largest producers and exporters in both Serbia and the region. The VictoriaOil oilseed crushing plant has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day. VictoriaOil was controlled and consolidated into the Group in 2021 (see also “*Risk Factors — Risks Relating to the Group’s Business — The Group may not be able to complete or integrate successfully any planned or potential acquisitions*” and “*Related Party Transactions — VictoriaOil*”).

Furthermore, in September 2022, the Group completed construction of and started operating the Danube Oil crushing plant at Giurgiulesti in Moldova, which has production capacity of 700 tonnes of premium organic sunflower oil per day. The plant occupies a compact territory of 0.4 hectares only and is one of the most modern facilities in the Black Sea region. The oil and meal produced by the plant are delivered to over 60 countries with over 500 million consumers.

In relation to the Group's international expansion strategy, management believes that significant synergies are achievable through the application of the Group's operational and in-market consolidation know-how, as well as by utilising the Danube waterway in exploiting various local pockets of demand for agricultural commodities. See "*Developing the Danube Hub*" below. The Group's international expansion strategy is also intended to achieve geographical diversification, which is expected to reduce weather related risks, as well as macroeconomic diversification through expansion into investment grade rated countries, which management believes provides an opportunity for capital structure optimisation. Finally, the Group's international expansion is intended to provide it with access to a broad consumer base for bottled oil across the CEE region.

Strengthening Relationships with International Customers

The Group has been successfully diversifying its origination operations, with 90 per cent. of origination and marketing revenue attributable to origination and marketing activities in the CEE region based on the country from which the commodities were sourced (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil based on the country where the commodities were sourced (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively) in FY 2023/24. 32 per cent., 30 per cent., 17 per cent., 16 per cent. and 3 per cent. of the Group's EBITDA was attributable to Ukraine, Moldova, Serbia, Romania and Argentina based on the country where the commodities were sourced in FY 2023/24, respectively. As of 30 June 2024, 56 per cent. 27 per cent., 10 per cent. and 7 per cent. of the Group's non-current assets were located in Moldova, Serbia, Romania and Ukraine, respectively.

The Group's focus in Moldova has been on maintaining its market leadership with a focus on organic and high oleic seeds, as well as efficiently sourcing volumes for its crushing and refining segment. Within other CEE countries, it has gained insights into local origination opportunities through its recently acquired operations in Romania and Serbia. It is also focused on achieving synergies via the Danube hub, as described below under "*Developing the Danube Hub*". In Latin America, the focus has been on incremental origination of soybean and other crops. Management believes this region represents limited exposure to price and fulfilment risks and also increases weather risk diversification.

The Group maintains established and well-diversified client networks, including international end-users and commodity traders in Europe, the Southern Mediterranean, Türkiye and the MENA region. Going forward, the Group intends to enter new prospective geographies, in particular in the MENA and Asia regions. In the EU, the Group is focused on marketing commodities pursuant to free trade arrangements, developing strong relationships with end-users in Italy, Spain, Portugal, Greece and other countries and increasing its activities in the area of organic commodities. For FY 2023/24, 38.2 per cent. of the Group's origination and marketing revenue was attributable to customers located in the MENA region (with 10.2 per cent., 8.1 per cent. and 6.2 per cent. of total origination and marketing revenue attributable to Egypt, Iraq and Oman, respectively), 22.4 per cent. to the European Union (with 9.6 per cent. and 3.8 per cent. of total origination and marketing revenue attributable to Spain and Bulgaria, respectively), 18.5 per cent. to Asia (with 11.5 per cent. and 5.3 per cent. of total origination and marketing revenue attributable to India and Singapore, respectively) and 17.0 per cent. to Türkiye. Only 2.5 per cent., 0.4 per cent. and 0.9 per cent. of total origination and marketing revenue was attributable to Serbia, Moldova and Romania respectively. In terms of total revenue, 47 per cent., 33 per cent., 19 per cent. and 1 per cent. was attributable to the MENA region and Türkiye, the European Union and Serbia, Asia and Moldova, respectively in FY 2023/24.

The Group intends to maintain its share of marketing volumes in the MENA region and potentially increase them in the medium to long term. It also plans to source additional volumes from international markets to cover growing client needs in this region. In Asia, the Group has already entered the markets of India (in particular for vegetable oils), Singapore and South Korea. It will selectively enter new markets and expand its involvement in the China trade. The Group is targeting 4 million tonnes of sales volumes over the medium to long term.

Developing the Danube Hub

The Group believes there is significant potential for synergies at the Black Sea port of Constanța, where the Group has partner terminals and operators, as described under "*Export Terminals—Partner Terminals*". Specifically, potential exists in relation to the following activities in Romania and Serbia, as set out in the following map:



- origination of grains in inland Romania (via trucks and railways) and Serbia (including FOB Serbian ports on barges) with the purpose of shipping those goods to the Constanta terminals and loading Panamax sized vessels to final destinations;
- origination of sunflower seeds in Ukraine and Latin American markets and shipping such sunflower seeds to the Constanta terminals with the purpose of discharging and further shipping the sunflower seeds to the Group’s crushing facilities in Romania and Serbia. These origination activities typically take place in March through April (when grains in Latin America are harvested and prices for new crops are the most attractive) and at the same time supply from the CEE is limited. Origination volumes can also increase during significant production shortfalls in the CEE region (as was the case in 2020 and 2022 due to the drought in Western Black Sea region and adjacent countries);
- maintain leadership in the handling, storage and trans-shipment of agricultural products in Moldova;
- selective expansion of silo and Danube port networks; and
- expanding Danube waterway throughput by two times in the medium term and shipping the output of the Tandarei and VictoriaOil crushing plants located in Romania and Serbia, respectively, from the Constanta port in Romania.

Vertical Integration

The Group is pursuing vertical integration across its operations to ensure control over its entire supply chain, from sourcing raw materials to delivering finished products. This allows the Group to manage costs, improve operational efficiency, and respond more flexibly to market dynamics. Specifically, the Group has allocated capital expenditure for the finalization of refining and bottling capacity at the Floarea Soarelui SA plant in Bălți, Moldova, and for bolstering the Group’s infrastructure and operational capacities at the port of Constanța. These investments are aligned with the Group’s long-term strategy to vertically integrate its supply chain and expand its footprint in key markets.

In addition, the Group has recently taken significant steps to develop its own fleet of river and ocean-going vessels. The company has acquired two oil river tankers, one dry cargo river tanker, one dry cargo handy-max vessel, and one vegetable oil handy-max tanker. This fleet will play a pivotal role in streamlining Trans-Oil’s operations, ensuring greater control over the entire supply chain from the farmers’ fields to final customers in ports of destination. See “— *Recent Developments*” below for further detail.

Diversification Into High-Margin and Value-Added Activities

The Group is focused on expanding in the organic sunflower seed market. The market opportunity and the Group’s plans for penetrating the market are described in detail below:

North American Organic Sunflower Seeds Market and Trans-Oil Group’s Strategic Initiatives

The North American organic sunflower seed market, particularly sunflower oil, has been experiencing consistent growth due to increasing consumer demand for healthier and more sustainable food products. Sunflower oils, especially high oleic and organic variants, are sought after for their health benefits, including high levels of monounsaturated fats and Vitamin E, making them popular for both culinary use and food processing. Additionally, sunflower meal, a byproduct of oil extraction, plays a significant role in the organic livestock feed sector, further supporting the demand for sunflower products.

In particular, the overall edible oils market in the United States has witnessed substantial growth in recent years, primarily due to the rising demand for plant-based oils like sunflower, olive, and canola. Industry reports suggest that the edible oil market is projected to grow at a CAGR of 5.1 per cent. between 2023 and 2028, organic sunflower oil represents a significant and growing portion of this market, with organic edible oils, including sunflower oil, valued at approximately U.S.\$3.14 billion in 2023 and projected to grow to U.S.\$7.43 billion by 2033.

U.S. Sunflower Oil Consumption

The U.S. sunflower oil market is currently experiencing notable growth, driven by the increasing awareness of health-conscious dietary choices. According to recent USDA and industry reports, the consumption of sunflower oil in the U.S. has grown steadily over the past decade, reaching approximately 612,350 tonnes in 2023. Sunflower oil now accounts for around 10 per cent. of the total edible oil consumption in the United States, with this share expected to increase as demand for high-quality, healthy oils continues to rise.

Within the broader edible oil market, high oleic sunflower oil has seen the most significant growth, driven by its use in food manufacturing and cooking, where its high stability and neutral flavour are key attributes. The high oleic variant accounts for about 85 per cent. of the total sunflower oil consumed in the United States, reflecting the shift in consumer preferences toward oils with higher levels of monounsaturated fats.

The organic segment of the sunflower oil market is also expanding, albeit from a smaller base. Organic sunflower oil represents approximately 5 per cent. of the total sunflower oil market in the United States, but this segment is growing at an annual rate of 8-10 per cent., outpacing the overall edible oil market growth rate. This growth is largely attributed to increasing consumer demand for organic and non-GMO products, as well as the expansion of organic farming practices in North America.

Market Landscape and Key Players

The North American market for organic sunflower seeds and related products is highly competitive, with key players including Archer Daniels Midland (“ADM”), Cargill, Hain Celestial, and Spectrum Organics, among others. These companies dominate the market for both raw materials and finished products, such as high oleic and organic sunflower oil. Refined sunflower oil, often used in the foodservice and retail sectors, caters to the needs of health-conscious consumers, making this market attractive for producers and refiners alike.

In recent years, there has been a notable increase in partnerships between producers and distributors, focusing on the organic segment, as the demand for sustainably sourced, high-quality products has surged.

Market Penetration Strategy

The Group has identified the North American organic sunflower seed market as a key opportunity for growth. The Group’s strategic initiatives to penetrate this market are multifaceted, involving product diversification, market research, and establishing local partnerships.

- **Opening a Washington, D.C. Representative Office:** To strengthen its foothold in the U.S. market, the Group has recently established a representative office in Washington, D.C. This local presence enhances the Group’s ability to engage directly with U.S. buyers, conduct market research, and foster partnerships with key players in the sunflower oil supply chain, including refiners, packagers, and distributors.
- **Product Portfolio:** The Group’s portfolio includes high oleic and organic sunflower oil, which is particularly well-suited to meet the increasing demand for healthier oils in North America. The Group’s organic oil is produced with a commitment to sustainability, ensuring that no synthetic pesticides or fertilizers are used. The high oleic sunflower oil variant, known for its stability at high temperatures and longer shelf life, is highly sought after by food manufacturers and retailers alike.
- **Negotiations with Local Buyers and Distributors:** The Group has already initiated negotiations with U.S. buyers, including large refiners and packagers that specialize in organic and high oleic sunflower oil. These negotiations are geared toward securing long-term contracts and establishing Trans-Oil as a reliable supplier in the North American market. Distributors of organic oils have shown keen interest in partnering with the Group, given its proven track record of supplying high-quality products to European and Asian markets.

- **Organic Sunflower Meal:** In addition to oil, the Group is exploring opportunities to supply organic sunflower meal to the North American market. With organic farming practices on the rise, there is a growing demand for high-quality, organic feed ingredients. Sunflower meal, a byproduct of sunflower oil extraction, is rich in protein and serves as an excellent feed for livestock, particularly in organic and sustainable farming systems.
- **Sustainability and Certification:** The Group is committed to maintaining the highest standards of sustainability throughout its production process. The Group’s organic sunflower products are certified according to internationally recognized standards, ensuring compliance with the stringent requirements of the North American organic market. This commitment to sustainability not only enhances the Group’s reputation but also aligns with the preferences of U.S. consumers and businesses seeking responsibly sourced organic products.

Fleet Strategy

As part of its long-term strategy to establish a fully vertically integrated logistics chain, the Group has recently taken significant steps to develop its own fleet of river and ocean-going vessels. The company has acquired two oil river tankers, one dry cargo river tanker, one dry cargo handy-max vessel, and one vegetable oil handy-max tanker. This fleet will play a pivotal role in streamlining the Group’s operations, ensuring greater control over the entire supply chain from the farmers’ fields to final customers in ports of destination.

The introduction of this fleet aligns with Trans-Oil’s strategic goal of optimizing logistical efficiency while reducing reliance on third-party transportation providers. By owning and operating its own vessels, the Group can ensure more reliable and cost-effective transport of agricultural commodities and vegetable oils across key waterways, particularly focusing on its operations along the Danube River and international shipping routes.

The key benefits of the Group’s fleet strategy are described below:

- **Enhanced Control Over Supply Chain:** The fleet strengthens the Group’s control over the flow of goods, allowing for better coordination between production sites, storage facilities, and customer delivery points. This reduces operational bottlenecks and enhances overall supply chain efficiency;
- **Cost Efficiency:** By owning its own vessels, Trans-Oil significantly reduces the costs associated with leasing and chartering third-party ships. This translates into lower transportation costs, better pricing, and improved margins on its products;
- **Flexibility and Reliability:** The dedicated fleet ensures greater flexibility in logistics planning, enabling the Group to respond quickly to market demands and shifting production cycles. It also enhances reliability by reducing delays or disruptions caused by the unavailability of external transport; and
- **Support for Vertical Integration:** The fleet plays a crucial role in the Group’s broader strategy of vertical integration, as it ties together the various stages of the supply chain—from sourcing raw materials to processing, storage, transportation, and final delivery to international customers.

By investing in a fleet that serves both river and sea routes, Group is well-positioned to solidify its status as a key player in the agricultural commodities market while providing comprehensive logistical solutions to its global customer base. This strategic move reinforces the Group’s commitment to delivering high-quality, value-added products efficiently and reliably, all while ensuring sustainability and long-term growth in an increasingly competitive global market.

Recent Developments

Recent Operations

The following table presents certain operational information for the Group for the three months ended 30 September 2024, 30 September 2023 and 30 June 2024:

Three months ended		
30 September 2024	30 September 2023	30 June 2024

Origination and marketing

Volume originated and sold (<i>thousands of tonnes</i>).....	1,162	1,216	1,032
Crushing and refining			
Oilseeds processed (<i>thousands of tonnes</i>).....	148	186	92
Infrastructure and other			
Forwarded own volumes (<i>thousands of tonnes</i>).....	439	459	789

The following table sets forth sales by type of commodities for the Group for the three months ended 30 September 2024, 30 September 2023 and 30 June 2024:

	Three months ended		
	30 September 2024	30 September 2023	30 June 2024
	(in thousands of tonnes)		
Corn	159	176	373
Wheat.....	270	367	111
Soya	230	161	82
Sunflower seeds.....	192	125	88
Barley	176	244	138
Vegetable oil (sunflower, rapeseed, soybean oil)	154	181	170
Other (mostly rapeseed, sunflower meal, sunflower bottled oil and soybean meal).....	71	98	100
Total	1,252	1,352	1,062

In the three months ended 30 September 2024, sales of commodities reached 1,252 thousand tonnes, which represented a decrease of 100 thousand tonnes compared to the three months ended 30 September 2023. The slight decrease was due to drought conditions in the CEE region, which led to reduced yields across most crops and, consequently, lower production levels.

The Group's origination and marketing segment registered a decrease in volumes in the three months ended 30 September 2024 to 1,162 thousand tonnes compared to 1,216 tonnes for the three months ended 30 September 2023. The slight decrease was related to lower crop production levels in the CEE region.

In the three months ended 30 September 2024, the crushing and refining segment's crushed volumes were 148 thousand tonnes, compared to 186 thousand tonnes in the three months ended 30 September 2023. The Group reduced crushing volumes mainly due to the depressed market for sunflower seed oil. The Group considers that the sunflower seed oil market has not yet reflected the impact of lower harvested volumes of sunflower seeds due to the drought. Thus, the Group elected to sell certain sunflower seeds stocks (instead of processing them), thereby obtaining improved margins. The Group will continue to monitor developments in the sunflower seed oil market and make appropriate decisions as to whether it crushes or sells the sunflower seeds.

Export terminal throughput volumes reached 439 thousand tonnes in the three months ended 30 September 2024, compared to 459 thousand tonnes in the three months ended 30 September 2023, as a result of weakened crop yields and a decrease in produced vegetable oil and meal exports.

Frial SA Acquisition

In October 2024, Global Grain International, a subsidiary of the Group, signed a sale and purchase agreement for the acquisition of Frial SA. The Group used the proceeds received from borrowings in the amount of approximately EUR 19.9 million and cash on its balance sheet in the amount of approximately EUR 7.1 million to finance the purchase. Frial SA is expected to be consolidated into the Group in the second quarter of FY 2024/25.

Frial SA operates as a storage and handling services provider in the port of Constanța. It is the largest terminal for crude vegetable oil at the port of Constanța, has a length of 114 metres and a depth of 8 metres, allowing the operation of ships with a capacity of approximately 12,000 freight tonnes and has a storage capacity of approximately 27.6 thousand tonnes (7 tanks). The business of Frial SA consists of loading and discharging of cargo from ships, barges, vehicles and trains, storage for grains and liquid cargo, warehouse rental, vehicles and trains weighing.

Frial SA is specialised in the handling, storage, and transportation of various goods, including general cargo and liquid products. With two operational berths in the port of Constanța, Frial SA offers services such as loading and unloading for

ships, barges, trains, and tank trucks. The facilities include a terminal dedicated to liquid products, such as edible oils, with a high transfer rate of up to 200 tonnes per hour. Additionally, Frial SA provides extensive storage solutions, boasting a total capacity exceeding 70,000 tonnes (liquid and grains) for covered and open spaces.

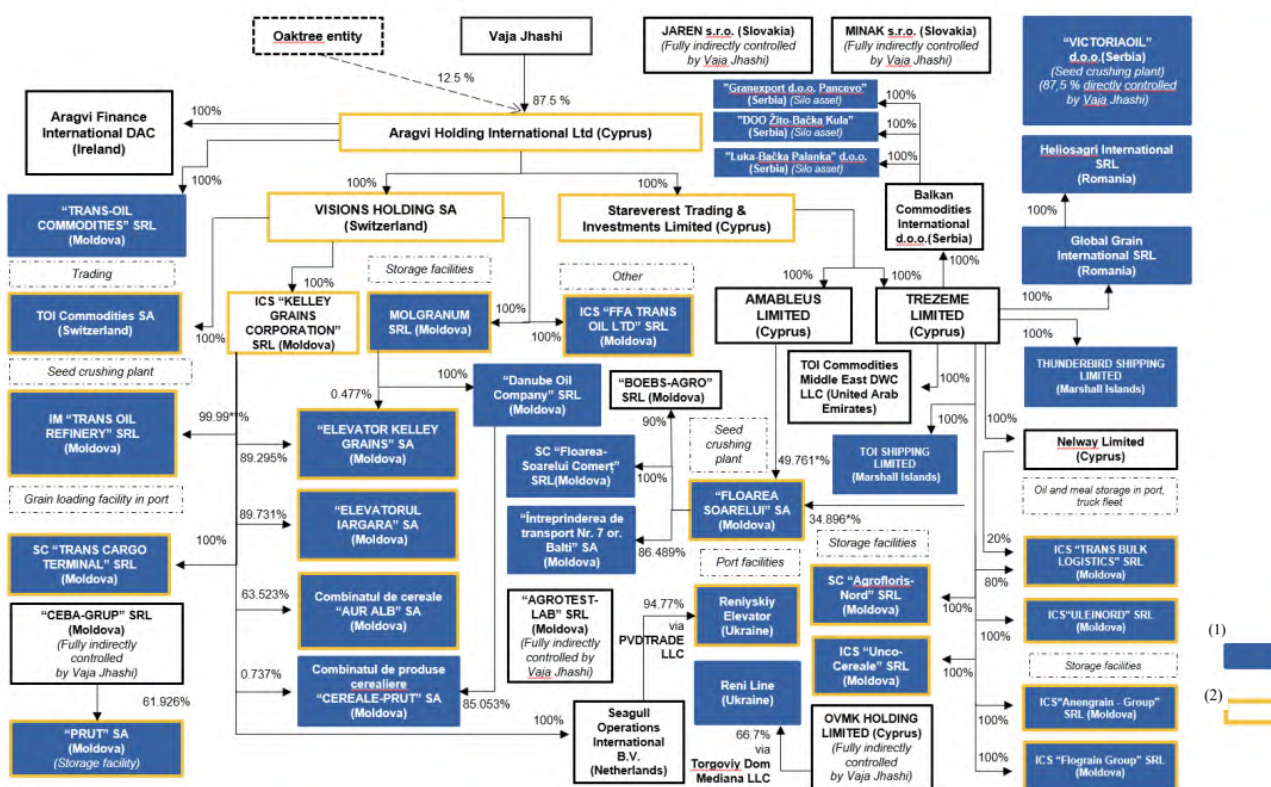
Key Benefits for the Group's strategy

The acquisition is fully aligned with the Group's strategy, which focuses on more predictable supply chains, faster delivery times, and reduced needs for intermediary transportation and handling. The key benefits are described below:

- **Cost efficiency:** the decrease in logistical costs directly enhances operational efficiency, enabling the Group to operate with greater agility and at a lower overall cost.
- **Competitive Edge:** the Group will be able to pass cost savings on to customers, improve margins and invest in further growth opportunities, ultimately strengthening its market position.
- **Efficiency:** the integration of Frial SA's terminals with the Group's existing facilities and operations will enable smoother coordination and more efficient use of resources, particularly in the sunflower oil processing and trading operations. The integrated approach enhances supply chain efficiency and increases profit margins.

Group Structure

As of the date of this Information Memorandum, the Group's structure chart⁽¹⁾ is as follows:



Notes:

- (1) Main operating companies.
- (2) As of the date of this Information Memorandum, each of the following subsidiaries of the Parent is a Guarantor: Aragvi Holding International Ltd, "Agrofloris-Nord" S.R.L., I.C.S. "Anengrain-Group" S.R.L., "Elevatorul Iargara" S.A., I.C.S. "Flograin Group" S.R.L., "Floarea Soarelui" S.A., "Molgranum" S.R.L., "Prut" S.A., I.C.S. "Trans Bulk Logistics" S.R.L., S.C. "Trans Cargo Terminal" S.R.L., I.C.S. "Uleinord" S.R.L., I.C.S. "Unco-Cereale" S.R.L., Combinatul de cereale "Aur Alb" S.A., "Elevator Kelley Grains" S.A., I.M. "Trans Oil Refinery" S.R.L., Reniyskiy Elevator A.L.C., I.C.S. "Kelley Grains Corporation" S.R.L., I.C.S. "FFA Trans Oil Ltd", S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA. For the year ended 30 June 2024, the Guarantors accounted for approximately 77.4 per cent. (U.S.\$164,455 thousand) of the Group's EBITDA and as at 30 June 2024, approximately 85.72 per cent. (U.S.\$579,651 thousand) of the total net assets of the Group. See also "—Description of the Guarantors".

As of the date of this Information Memorandum, the Group’s significant subsidiaries are as follows:

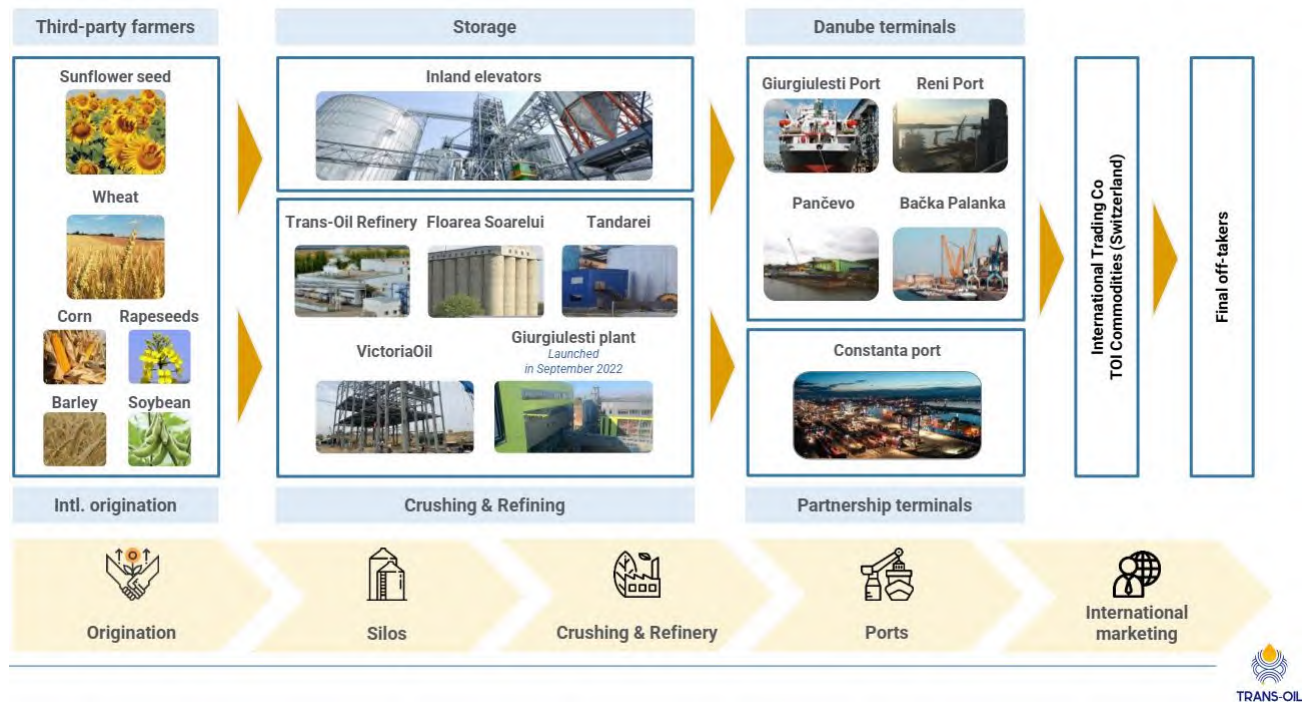
Company name	Country	Main business	Group holding
“Agrofloris-Nord” S.R.L.	Moldova	Control over inland silo, main oilseed and grain trading company in Moldova	100%
I.C.S. “Anengrain-Group” S.R.L.	Moldova	Control over inland silo	100%
“Elevatorul Iargara” S.A.	Moldova	Control over inland silo	89.731% ⁽ⁱ⁾
Combinatul de Produse Cerealiere “Cereale Prut” S.A.	Moldova	Control over inland silo	85.79% ⁽ⁱⁱ⁾
I.C.S. “Flograin Group” S.R.L.	Moldova	Control over inland silo	100%
“Floarea Soarelui” S.A.	Moldova	Crushing plant, control over silo	84.657% ⁽ⁱⁱⁱ⁾
“Molgranum” S.R.L.	Moldova	Control over two inland silos	100%
“Prut” S.A.	Moldova	Control over inland silo	61.926% ^(iv)
I.C.S. “Trans Bulk Logistics” S.R.L.	Moldova	Control over port silo and oil tanks	80% ^(v)
S.C. “Trans Cargo Terminal” S.R.L.	Moldova	Control over two port silos	100%
I.C.S. “Uleinord” S.R.L.	Moldova	Control over inland silo	100%
I.C.S. “Unco-Cereale” S.R.L.	Moldova	Control over inland silo	100%
Combinatul de cereale “Aur Alb” S.A.	Moldova	Control over inland silo	63.523% ^(vi)
“Elevator Kelley Grains” S.A.	Moldova	Control over inland silo	89.772% ^(vii)
I.M. “Trans Oil Refinery” S.R.L.	Moldova	Crushing plant	100% ^(viii)
Reniskyi Elevator A.L.C.	Ukraine	Control over port silo	94.77% ^(ix)
Reni-Line L.L.C.	Ukraine	Control over port silo	66.7% ^(x)
I.C.S. “FFA Trans Oil LTD” S.R.L.	Moldova	Main office	100%
“Trans-Oil Commodities” S.R.L.	Moldova	Procurement of commodities in Moldova	100%
I.C.S. “Kelley Grains Corporation” S.R.L.	Moldova	Holding company	100%
TOI Commodities SA	Switzerland	International trading company	100%
Visions Holding SA	Switzerland	Holding company	100%
Stareverest Trading & Investments Limited	Cyprus	Holding company	100%
Amableus Limited	Cyprus	Holding company	100%
Trezeme Limited	Cyprus	Holding company	100%
Global Grain International S.R.L.	Romania	Holding company	95%
Luka-Bačka Palanka d.o.o.	Serbia	Control over port silo	100%
Granexport d.o.o.	Serbia	Control over port silo	100%
Žito-Bačka Kula d.o.o.	Serbia	Control over inland silos	100%
Balkan Commodities International d.o.o.	Serbia	Holding company	100%
TOI Shipping Limited	Marshall Islands	Control over handy-max vessel	100%
TOI Commodities Middle East DWC LLC	UAE	International trading company	100%
VICTORIAOIL D.O.O. SID ⁽¹¹⁾	Serbia	Crushing plant	100%

Notes:

- The remaining shareholding in “Elevatorul Iargara” S.A. is owned by the following persons unrelated to the Group: 1) “Agro-Line” S.R.L., a limited liability company registered in Moldova (8.566 per cent.) and 2) 399 individuals (1.703 per cent.).
- The remaining shareholding in **Combinatul de Produse Cerealiere “Cereale Prut” S.A.** is owned by the following persons, which are unrelated parties to the Group: 1) SA Mega Prim, a joint-stock company registered in Moldova (4.682 per cent.); 2) M-Management Plus SA, a joint-stock company registered in Moldova (0.001 per cent.); 3) Gest-Capital SA, a joint stock company registered in Moldova (3.566 per cent.); 4) SA Repan-Com, a joint-stock company registered in Moldova (0.234 per cent.); 5) Resursele Moldovei S.R.L., a limited liability company registered in Moldova (3.229 per cent.); and 6) 797 individuals (2.498 per cent.).
- The holding shown represent holding of common shares by the Group. The remaining common shares shareholding in “**Floarea Soarelui**” S.A. is owned by the following persons, which are unrelated parties to the Group: 1) “Agro-Line” S.R.L., a limited liability company registered in Moldova (2.02 per cent.); 2) “Infotag” S.R.L., a limited liability company registered in Moldova (0.001 per cent.); 3) “Iventus-DS” SA, a joint stock company registered in Moldova (0.234 per cent.); 4) “Sungrain Group” S.R.L., a limited liability company registered in Moldova (1.281 per cent.) and 969 individuals (9.253 per cent.), each holding less than 5 per cent. of the common shares of the company. Another 2.78 per cent. of the common shares of the company are held in treasury. In addition, “**Floarea Soarelui**” S.A. has issued 4,184 preferential shares held by 474 individuals, representing a total of 0.56 per cent. of all shares in the company. The preferential shares do not confer voting rights to their holders.
- The remaining shareholding in “Prut” S.A. is owned by 369 individuals (38.074 per cent.), each holding less than 5 per cent. of the company and who are unrelated parties to the Group.
- The remaining shareholding in I.C.S. “**Trans Bulk Logistics**” S.R.L. is owned by Nelway Limited Ltd., a company registered in Cyprus (20 per cent.), which is a related party to the Group.
- The remaining shareholding in **Combinatul de cereale “Aur Alb” S.A.** is owned by the following persons, which are unrelated parties to the Group: 1) “Agro-Line” S.R.L., a limited liability company registered in Moldova (5.124 per cent.); and 2) 1,264 individuals (31.353 per cent.), each holding less than 5 per cent. of the company.
- The remaining shareholding in “**Elevator Kelley Grains**” S.A. is owned by the following persons, which are unrelated parties to the Group: 1) “Agro-Line” S.R.L., a limited liability company registered in Moldova (9.154 per cent.); 2) CF “BV Fiduciar Invest” SA, a fiduciary joint stock company registered in Moldova (0.387 per cent.); and 3,063 individuals (0.88 per cent.).
- I.C.S. “Kelley Grains Corporation” S.R.L. holds 99.9994 per cent. shares in I.M. “**Trans Oil Refinery**” S.R.L. The remaining shareholding in I.M. “**Trans Oil Refinery**” S.R.L. is owned by Mr. Vaja Jhashi, indirect holder of 100 per cent. of the Parent’s ordinary shares (0.0006 per cent.).
- The remaining shareholding in **Reniskyi Elevator A.L.C.** is owned by two legal entities (0.0032 per cent.) and 5 individuals (5.2287 per cent.) each holding less than 5 per cent. of the company and who are unrelated parties to the Group, other than an individual Mr. Bushneac Petro Ivanovich, who holds 5.0899 per cent. (more than 5 per cent.), who is also a director of the Group company Reni-Line LLC.
- The remaining shareholding in **Reni-Line L.L.C.** is owned by an individual Mr. Veaceslav Babich, a resident of Ukraine (33.3 per cent.), an unrelated party to the Group.
- VictoriaOil was controlled by and, for financial reporting purposes, consolidated into the Group in 2021. The shares of VictoriaOil are still held by the shareholders in trust for the benefit of the Group The Group has begun the and they are in the process of completing the formal transfer of legal title to such shares from the shareholders to to Trezeme Limited, an entity which is a member of the Group.

Description of the Group's operations

The Group's end products and services are supported by the Group's origination and processing functions as depicted in the graphic below:



Origination and Processing of Raw Materials

Origination of Raw Materials

The Group's production process begins with the origination of oilseed and grain from approximately 1,000 farmers throughout Moldova, including the Group's captive farmers. The Group has since expanded its origination activities significantly. The Group has been successfully diversifying its origination operations, with 90 per cent. of origination and marketing revenue attributable to the CEE region based on (with 14 per cent., 26 per cent., 6 per cent. and 53 per cent. of that 90 per cent. attributable to Moldova, Romania, Serbia, and Ukraine, respectively) and 10 per cent. attributable to international origination and marketing operations in Argentina and Brazil (with 47 per cent. and 53 per cent. of that 10 per cent. attributable to Argentina and Brazil, respectively) in FY 2023/24. 32 per cent., 30 per cent., 17 per cent., 16 per cent. and 3 per cent. of the Group's EBITDA was attributable to Ukraine, Moldova, Serbia, Romania and Argentina in FY 2023/24, respectively. As of 30 June 2024, 56 per cent., 27 per cent., 10 per cent. and 7 per cent. of the Group's non-current assets were located in Moldova, Serbia, Romania and Ukraine, respectively.

The Group has a balanced commodity mix with a focus on high margin crops and products. In FY 2023/24, sunflower seeds, wheat, corn, rape, barley, sunflower seed crude and refined oil and other commodities accounted for 13.4 per cent., 12.8 per cent., 16.4 per cent., 5.5 per cent., 8.0 per cent., 30.6 per cent. and 13.3 per cent. of the Group's total origination and marketing revenue, respectively. In FY 2022/23, sunflower seeds, wheat, corn, rape, barley, sunflower seed crude and refined oil and other commodities accounted for 12.6 per cent., 14.0 per cent., 23.4 per cent., 8.7 per cent., 10.4 per cent., 20.2 per cent. and 10.7 per cent. of the Group's total origination and marketing revenue, respectively.

The origination teams of the Group sourced approximately 3,887,106 tonnes of oilseed (without crushing volumes) and grain in FY 2023/24. In FY 2023/24, the Group originated 62 per cent. and 23 per cent. of the sunflower seed (these volumes include crushing in Moldova) and wheat produced in Moldova, respectively, according to the Company's calculations based on USDA data. The origination teams work closely with the Group's silo services, which provide intake, loading, cleaning, drying and storage services for the oilseed and grain once it is procured.

The Group has a well-diversified supplier base represented by the major crop farmers in Moldova and the Black Sea area. The Group has a transparent and risk-based supply policy with nearly half of traded volumes of grains and oil seed supplied via forward purchases.

Captive farming

The Group is involved in captive farming operations, providing pre-crop financing covering the majority of the production costs, including land lease costs, in consideration for obtaining pre-agreed volumes of crop at pre-agreed prices through contractual relations with an intermediary, Global Farming, that controls a number of third-party farmers (currently, 15 farmers). The Group provides pre-crop financing to Global Farming in the form of advances throughout the year, based on the farmers' needs, and enters into forward contracts with Global Farming for the delivery of produce. Global Farming then on-lends the funds provided by the Group to individual farmers in line with the terms of the agreements with the Group and enters into forward contracts for delivery of produce with them, as well as supplying the farmers with farming machinery and fertilisers and other agricultural services. The Group's terms of arrangements with Global Farming allow it to acquire agricultural produce at a lower cost as compared to purchasing agricultural produce from third party farmers directly.

In FY 2023/24, the Group purchased 413,569 tonnes of oilseed and grain from its captive farmers (which represented 8.8 per cent. of total oilseed and grain sourced by the Group during the period), as compared to 238,700 tonnes in FY 2022/23 (which represented 5.8 per cent. of total oilseed and grain sourced by the Group during the period).

Procurement of Oilseed

Oilseed is the primary input in the production of bulk and packed vegetable oil and is generally harvested from August to October. The main factors in a farmer's decision to sell their oilseed crop are the price, proximity to the selling point (typically, a silo, processing plant or transport terminal), the reliability of the buyer, and speed of payment. Moldovan farmers generally seek to minimise transportation costs, which are a significant portion of the farmers' overall costs, by selling as close to their fields as possible. Immediately after the harvest, farmers typically place their crops into a silo for storage and then decide to sell in the future based on prevailing market prices or their liquidity requirements. The Group's 46 inland silos (including 13 in Moldova and one in Romania and 32 storage facilities in Serbia), which offer points of storage and sale throughout Moldova, serve to attract oilseed farmers whose fields are located nearby.

Once purchased, and following a period during which the oilseed is stored in silos, oilseed is generally transported to the Group's processing plants or export terminals by railways and trucks.

In FY 2023/24, the Group sourced 88.3 per cent. of its sunflower seed requirements (excluding seeds for crushing) from third party suppliers and 11.7 per cent. from its captive farmers, compared to 85.1 per cent. and 14.9 per cent. in FY 2022/23, respectively.

Procurement of Grain

Grain (primarily, wheat and corn) is harvested between July and November. Grain is purchased, transported and then exported by the Group from Giurgiulesti port in Moldova, Reni port in Ukraine and Bačka Palanka and Pančevo ports, in Serbia. The primary determinant of where a farmer deposits grain is the location of silos.

The Group's network of silos extends across the key farming regions in Moldova, Romania and Serbia. Once a farmer has stored grain in one of the Group's silos, the farmer can choose whether to sell to the Group or to another third party. If the farmer decides to sell to a third party, the farmer may have to bear all storage costs and would generally have to deliver it within a certain timeframe. Since the farmer does not control access to the grain elevators, the farmer may find it difficult to meet the given deadlines. By way of contrast, if the Group purchases the grain, the farmer can sell his crops without additional storage costs or uncertainty as to access.

In FY 2023/24, the Group sourced 88.6 per cent. of grain from third party suppliers and 11.4 per cent. from its captive farmers, as compared to 93.6 per cent. of grain sourced from third party suppliers and 6.4 per cent. from captive farmers in the FY 2022/23.

From the inland silos, grain is loaded on railcars and is sold mainly via Giurgiulesti port in Moldova, Reni port in Ukraine and Bačka Palanka and Pančevo ports, in Serbia.

Purchase of Oilseed and Grain

The amount of oilseed or grain that the Group purchases largely depends on its sales of the relevant end products. The Group concurrently enters into sale contracts on international markets for the same volume of grain, oilseed and oil as it purchases in the local market, effectively locking in the margin.

The price at which the Group purchases raw materials from farmers is based on the international price at which the Group has agreed to sell the relevant end products, less a margin for the Group. Given the fragmented nature of the market and

the relatively small volumes in which many farmers operate, farmers tend to accept industry pricing dynamics, which enables the Group to maintain relatively consistent margins. In FY 2023/24, no single supplier accounted for more than 10 per cent. of the Group's raw material purchased volumes. The Group's ten largest suppliers in FY 2023/24 were Global Farming (4.7 per cent.), G.R. Agro Supply Corp. (4.6 per cent.), Terrasem-Grup (1.8 per cent.), Falcon Group SA (1.5 per cent.), Agroimeks (1.4 per cent.), Demir Agro SRL (1.4 per cent.), Zaria Trade (1.3 per cent.), Lombard Trading Int. (1.2 per cent.), LNZ Trading (1.1 per cent.) and Agro Chirnogi (1.1 per cent.). The Group's ten largest suppliers in FY 2022/23 were Falcon Group SA (7.3 per cent.), CJ International (3.8 per cent.), Global Farming (3.5 per cent.), Vesta General Trade Ltd. (3.5 per cent.), Private Enterprise "Khutir" (3.5 per cent.), Podillya Foods Company PISC (3.2 per cent.), Vimeksim (2.9 per cent.), Al Dahra Agricultural SRL (2.9 per cent.), IBU Trade (2.8 per cent.) and Terrasem-Grup (2.3 per cent.). The loss of any particular supplier would not have a material effect on the Group's activities.

Sunflower Seed Processing

The Group operates five modern sunflower seed crushing plants, namely the Floarea Soarelui plant and the Trans-Oil Refinery plant in Moldova, the Tandarei crushing plant in Romania, the VictoriaOil oilseed crushing plant in Serbia and the Danube Oil crushing plant at Giurgiulesti in Moldova, with a total crushing capacity of 4,100 tonnes per day .

The Floarea Soarelui plant was built in 1922 and acquired by the Group in 2011. It is the largest oil-extracting plant in Moldova, located in Balti in the north of Moldova. Since its acquisition by the Group, the plant has undergone significant modernisation. In particular, in 2014 and 2015, the Group fully replaced the boiler and de-hulling units. The Group installed the new extraction unit in 2018, reaching a crushing capacity of 1,200 tonnes per day. The refining and bottling capacities of the plant are 180 tonnes per day and 150 tonnes per day, respectively, and are now being modernized as well. The storage capacity is 45,000 tonnes of sunflower seeds. The Group owns the land plots associated with the plant with a total area of 7 hectares.

The Trans-Oil Refinery plant was commissioned in 2010 and is located in Ceadir-Lunga in the south of Moldova. The plant has a crushing capacity of 400 tonnes per day and storage capacity of 80,000 tonnes of grain equivalent, available at the neighbouring silo owned by the Group. The Group owns the land plots associated with the plant for a total area of 12.5 hectares.

The Tandarei crushing plant, which the Group acquired in March 2019 and is located in Romania, has a crushing capacity of 650 tonnes per day, refining capacity of 120 tonnes per day, modern bottling line capacity 75,000 bottles per day and storage capacity of 47,000 tonnes of grain equivalent. Following the closing of the transaction, the Group hired over 30 people within the de-hulling and extraction departments and in June 2019, a new meal granulator with a total capacity of 15 tonnes of meal per hour was commissioned. A new sunseeds pre-cleaning facility with a capacity 100 tonnes per day was commissioned in 2023. The plant is currently undergoing an extensive modernisation (without interruption of operations), which will expand its production capacity to 1,000 tonnes per day.

The VictoriaOil oilseed crushing plant, which the shareholders of the Group acquired in June 2021 and is located in Serbia, has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day. VictoriaOil was controlled and consolidated into the Group in 2021 (see also "*Risk Factors — Risks Relating to the Group's Business — The Group may not be able to complete or integrate successfully any planned or potential acquisitions*" and "*Related Party Transactions — VictoriaOil*").

In September 2022, the Group constructed and started operating the Danube Oil crushing plant at Giurgiulesti in Moldova, which has production capacity of 700 tonnes of premium organic sunflower seeds per day. The Danube Oil crushing plant is an ergonomic production. The plant occupies a compact territory of 0.4 hectares only and is one of the most modern facilities in the Black Sea region. The oil and meal produced by the plant are delivered to over 60 countries with over 500 million consumers.

In FY 2023/24, the Group utilised approximately 65.7 per cent. of the crushing capacity of its Floarea Soarelui plant, 69.4 per cent. of the crushing capacity of its Trans-Oil Refinery and 58.2 per cent. of the crushing capacity of its Tandarei plant.

The following products are produced through the Group's oilseed processing operations:

- *Crude oil* - oil that is produced from the crushing of sunflower seeds, which is subsequently sold in bulk by the Group.

- *Refined oil* - crude oil that has gone through refining operations to remove colour, waxes and smell, most of which is sold by the Group, as bottled oil, with a small portion of refined oil sold in bulk.
- *Bottled oil* - a major part of the refined oil is further bottled into different sized plastic containers and sold both domestically and internationally under the Group's own established brands or under third party private labels.
- *Pressed oil* - a natural oil extracted from sunflower seeds through mechanical pressing. It is commonly used for cooking, frying, and in food products due to its light flavour and high levels of healthy fats, including polyunsaturated and monounsaturated fatty acids. Sunflower pressed oil is also used in cosmetics and industrial applications. It is only produced at Danube Oil crushing plant at Giurgiulesti in Moldova.
- *Meal* - a solid by-product of the crushing process that has a residual oil content of less than 1 per cent., which is sold in pelletised form as a component for animal feed.
- *Cake* – a solid by-product that remains after double pressing oil from sunflower seeds. It is rich in protein and fibre, making it a valuable feed ingredient for livestock and poultry. Sunflower seed cake is a superior to meal animal feed due to its high nutritional content. It is only produced at Danube Oil crushing plant at Giurgiulesti in Moldova.

The Group uses high quality processing equipment from companies such as ECL, Buhler, HUM, Alfa-laval, ALLOCCO and TROIKA.

One tonne of sunflower oil seeds yields, on average, 440 kg of sunflower oil and 380 kg of sunflower meal for the Group's crushing plants, depending on oil content of seeds. The Group's total crushing volume was 722 thousand tonnes in FY 2023/24, as compared to 777 thousand tonnes in FY 2022/23. The Group produced 306,183 tonnes of crude oil, out of which 66,682 tonnes were refined, and 292,232 tonnes of meal in FY 2023/24, as compared to 343,028 tonnes of crude oil, out of which 65,023 tonnes were refined, and 302,993 tonnes of meal produced in FY 2022/23.

All of the sunflower oil and the majority (approximately 90 per cent.) of meal produced at the Group's facilities is exported in bulk, mainly to the EU, Indian, Türkiye, Iraqi and Egyptian markets. Approximately 12 thousand tonnes of bottled oil is sold locally in Moldova and 15 thousand tonnes of bottled oil is sold locally in Serbia, covering approximately 80 per cent. and 30 per cent. of total local consumption. The rest of the bottled oil produced by the Group is exported. Typically, bottled sunflower oil margins generate incremental EBITDA margins of 10-50 per cent. (over the EBITDA margin for crude oil).

The Group also crushes other oils seeds such as soybeans and rapeseeds. The total crushing volume was 66 thousand tonnes in FY 2023/24, as compared to 30 thousand tonnes in FY 2022/23. The Group produced 16,059 tonnes of crude oil and 47,122 tonnes of meal in FY 2023/24, as compared to 6,859 tonnes of crude oil and 21,960 tonnes of meal produced in FY 2022/23

The Group's crushing facilities are strategically located in northern and southern regions of Moldova. This allows the Group to efficiently source sunflower seeds from farmers with minimal logistics costs. The Group also has 85 commodity exchange points all over the country where small-scale farmers are able to exchange sunflower seeds for bottled oil and meal, or to sell it at market price.

Marketing, End Products and Services

Following the origination and/or processing of raw materials, the Group derives revenue from its following main end products and services: grain, bulk and packed vegetable oil, silo services and export terminals. The Group primarily manages its sales through its trading company in Geneva, TOI Commodities SA.

As described above, the Group typically enters into customer contracts immediately after it originates raw materials, or vice-versa.

Origination and Marketing, Infrastructure

The following table shows the origination and marketing and infrastructure business lines production volumes and EBITDA for FY 2023/24, FY 2022/23 and FY 2021/22.

Year ended 30 June		
2024	2023	2022

Origination and Marketing

Sales volume.....	(thousand tonnes)	4,659	3,383	5,090
Revenue ⁽ⁱ⁾	(U.S.\$ per tonne)	396	452	389
Revenue.....	(U.S.\$ thousands)	1,845,843	1,529,735	1,977,832
EBITDA	(U.S.\$ per tonne)	30	29	32
EBITDA	(U.S.\$ thousands)	140,564	98,798	152,729
EBITDA margin.....		8%	7%	8%
Gross profit margin (blended)		17%	17%	19%
Gross profit margin by crop:				
Sunflower seed		16%	7%	6%
Wheat.....		28%	22%	18%
Corn.....		27%	25%	25%
Barley		25%	23%	21%
Rapeseed.....		11%	13%	10%
Soy		13%	6%	8%
Other (vegetable oil and meal).....		8%	13%	16%
Selling and distribution expenses.....	(U.S.\$ thousands)	166,043	161,249	216,939

Infrastructure and Other

Throughput	(thousand tonnes)	2,333	2,682	1,227
Revenue ⁽ⁱ⁾	(U.S.\$ per tonne)	16	17	31
Revenue.....	(U.S.\$ thousands)	36,740	46,563	38,165
EBITDA	(U.S.\$ per tonne)	5	3	8
EBITDA	(U.S.\$ thousands)	11,129	13,595	9,755
EBITDA margin.....		30%	20%	26%

Note:

(i) Export logistics revenue is consolidated and is eliminated from the total revenue.

Grain and Oilseed Sales

The Group buys, stores, transports, and sells sunflower seed, wheat, corn, barley, rapeseed and soybeans. The Group sold 3,887 thousand tonnes of oilseed and grain in FY 2023/24, as compared to 2,904 thousand tonnes in FY 2022/23. In FY 2023/24, total revenue from the sales of oilseed and grain was U.S.\$ 1,217,092 thousand, which accounted for 52.7 per cent. of the Group's total revenue, as compared to U.S.\$1,124,172 thousand in FY 2022/23, which accounted for 52.7 per cent. of the Group's total revenue.

Sunflower seed, wheat and corn accounted for 11.9 per cent., 25.1 per cent. and 31.6 per cent. of the Group's oilseed and grain sales volumes and 20.2 per cent., 19.5 per cent. and 24.9 per cent. of the Group's revenue in FY 2023/24. Sunflower seed, wheat and corn accounted for 11.0 per cent., 21.9 per cent. and 39.2 per cent. of the Group's oilseed and grain sales volumes and 17.1 per cent., 19.0 per cent. and 31.8 per cent. of the Group's revenue in FY 2022/23.

The Group's oilseed and grain sales are supported by its export terminals infrastructure. In FY 2023/24, 31.3 per cent. of the Group's oilseed and grain sales volumes were made through the Giurgiulesti port, 20.6 per cent. through the Reni port, and 10.3 per cent. through the Bačka Palanka and Pančevo ports, while 37.9 per cent. of sales were local sales and resale operations through Ukrainian and other international ports. In FY 2022/23, 37.8 per cent. of the Group's oilseed and grain sales volumes were made through the Giurgiulesti port, 27.6 per cent. through the Reni port, and 13.6 per cent. through the Bačka Palanka and Pančevo ports, while 21.0 per cent. of sales were local sales and resale operations through Ukrainian and other international ports.

The following table shows the Group's sales by oilseed and grain product in FY 2021/22 to FY 2023/24:

Products	Year ended 30 June									
	2024			2023			2022			
	(tonnes)	Percentage of revenue	Revenue (thousand U.S.\$)	(tonnes)	Percentage of revenue	Revenue (thousand U.S.\$)	(tonnes)	Percentage of revenue	Revenue (thousand U.S.\$)	(thousand U.S.\$)
Vegetable oil	585,951	30.6%	564,200	238,665	20.2%	309,411	73,651	5.5%	109,596	
Sunflower seeds.....	460,701	13.4%	246,443	318,763	12.6%	192,785	244,341	8.0%	158,771	
Wheat	975,617	12.8%	237,042	634,797	14.0%	213,627	1,756,934	29.8%	589,988	
Corn.....	1,226,493	16.4%	302,725	1,139,560	23.4%	357,263	1,668,933	28.6%	565,718	
Packed vegetable oil	0	0.0%	0	0	0.0%	0	0	0.0%	0	
Sunflower meal.....	135,385	2.1%	39,552	146,938	2.9%	44,688	13,486	0.2%	4,594	
Rapeseed.....	209,021	5.5%	100,756	215,663	8.7%	133,500	111,133	4.5%	88,248	
Barley	648,574	8.0%	148,379	467,693	10.4%	159,082	848,996	13.2%	260,835	
Soy	366,700	9.8%	181,747	127,534	4.4%	67,913	51,902	1.6%	31,761	
Other.....	51,020	1.4%	25,000	93,659	3.4%	51,464	320,405	8.5%	168,321	
Total.....	4,659,462	100.0%	1,845,843	3,383,271	100.0%	1,529,735	5,089,781	100.0%	1,977,832	

Sunflower seed and wheat accounted for 39.7 per cent. of the Group's total oilseed and grain sales in FY 2023/24, as compared to 36.2 per cent. in FY 2022/23.

In FY 2023/24, sales of sunflower seeds accounted for 13.4 per cent. of the Group's origination and marketing revenue, while sales of wheat, corn and sunflower oil (crude and refined oil traded, excluding produced oil) accounted for 12.8 per cent., 16.4 per cent. and 30.6 per cent., respectively. The remainder of the Group's origination and marketing revenue includes sales of barley, rapeseed, soy, soybean meal and sunflower meal.

Grain and Oilseed Customers

The Group's largest customers include both global commodity trading firms, such as COFCO Resources, Tiryaki Agro Gıda and Pan Ocean Trading & Logistics Pte. Ltd and end-users such as Bunge. The Group's main export destinations for oilseed and grain products in FY 2023/24 based on sales revenue were EU countries (13.2 per cent.), Türkiye (25.8 per cent.), the CEE region (5.8 per cent., including Moldova, Romania, Ukraine, Serbia, Bosnia, Croatia, Montenegro and Macedonia), Asia (10.7 per cent.) and the MENA region (44.5 per cent.). The Group's main export destinations for oilseed and grain products in FY 2022/23 based on sales revenue were EU countries (13.9 per cent.), Türkiye (15.6 per cent.), the CEE region (10.6 per cent., including Moldova, Romania, Ukraine, Serbia, Bosnia, Croatia, Montenegro and Macedonia), Asia (11.0 per cent.) and the MENA region (48.8 per cent.). The top importers of the Group's oilseed and grain products include Türkiye, Egypt, Iraq, Singapore, Oman, Spain, Tunisia, UAE.

The Group's ten largest customers in FY 2023/24 were Al Madani Co. (7.6 per cent.), Tiryaki Agro Gıda (6.8 per cent.), Pan Ocean Trading & Logistics Pte. Ltd (6.4 per cent.), COFCO Resources (4.6 per cent.), Arasa Gıda (4.4 per cent.), CJ International Asia Pte. Ltd. (3.6 per cent.), Astra Limited (3.2 per cent.), Salalah Mills Co. (3.0 per cent.), European Commodity Company (2.9 per cent), Toprak Tarım Hayvancılık Gıda İletişim Limited (2.9 per cent.). The Group's ten largest customers accounted for 45.6 per cent. of oilseed and grain sales revenue. Other than Al Madani Co., Tiryaki Agro Gıda and Pan Ocean Trading & Logistics Pte. Ltd, which accounted for more than 6 per cent. each in FY 2023/24, no single customer regularly accounts for more than 5 per cent. of the Group's revenue.

Approximately 80 per cent. of the Group's oilseed and grain sales by volume on international market are made on the basis of forward contracts with price and volume agreed at the time of signing, for delivery during an agreed future period, with the remaining sales made under spot contracts.

Silo Services

The Group operates the largest grain silo network in Moldova (consisting of 13 inland silo storage facilities) and one storage facility in Romania and 32 storage facilities in Serbia with an aggregate storage capacity of over 1 million tonnes across its inland storage facilities, ports and crushing and refining plants. The Group also provides grain handling, trans-shipment and storage services to third parties. The Group's storage, cleaning, drying and trans-shipment services and sale of other products generated external revenue of U.S.\$17,108 thousand in FY 2023/24, as compared to U.S.\$9,115 thousand in FY 2022/23. The Group does not consider silo services as a separate business segment as they do not generate material revenues for the Group.

Although silo services do not generate a significant portion of the Group's revenue, they are critical to the Group's origination function. Located in key sunflower-growing regions of the country in proximity to producers, and offering a variety of services including grain drying, cleaning, storage and offloading of grain and oilseed, the Group's storage

facilities are attractive to farmers. Once grain or oilseed is stored in the Group's silos, the Group has significant leverage with the farmer and a logistical advantage in being able to purchase it, since the farmer does not need to find a third-party purchaser or bear the cost of transporting it any further if the Group buys it. Accordingly, the Group typically buys approximately 80 per cent. of the seed stored in its silos.

The Group charges for the intake, storage, cleaning and drying and offloading of grain and oilseed at its silos. In FY 2023/24, it charged U.S.\$3 per tonne for oilseed or grain intake or offloading, U.S.\$2 per tonne per month for grain storage and U.S.\$2.5 per tonne for grain cleaning and drying.

From the inland silos, oilseed and grain is generally loaded on to railcars with the majority exported via the Group's own port terminals. Most of the Group silos have direct access to the national railway network. Oilseed that the Group chooses to use for oil processing is generally transported by truck from inland silos to the Group's processing plants, most of which are strategically located in the vicinity of the Group's silo network.

Export Terminals

The Group operates two grain terminals and one oil terminal at Giurgiulesti port in Moldova, two grain terminals at Reni port in Ukraine and two grain terminals at Bačka Palanka and Pančevo, Serbia. Giurgiulesti, Reni and Bačka Palanka and Pančevo port handled approximately 21 per cent., 15.2 per cent. and 7.6 per cent. of the Group's oilseed, grain, meal and oil exports in FY 2023/24, with the remainder handled by Constanța, Izmail and LATAM ports. The Group believes that ownership of these port facilities is an important advantage for sourcing and exporting grain.

These export terminals generate revenue almost entirely through intra-Group sales. However, the export terminals help generate and maintain additional revenue for the other two segments of the Group, which are origination and marketing and crushing and refining.

Giurgiulesti port (Moldova)

The Giurgiulesti port facility is the only grain and oil seagoing export facility in the south of Moldova. The facility, which was commissioned in 2009, has two grain terminals and one oil terminal, with a trans-shipment capacity of 1,600 thousand tonnes per year. It has three loading berths, each 150 meters long, enabling grain and oil to be loaded onto seagoing vessels, and can load three seagoing vessels in parallel, at approximately 6,000 tonnes of grain and oil per vessel. The Group owns the grain terminals and has access to the oil terminal owned by the Giurgiulesti Port operator, Danube Logistics SRL. The facility operates an efficient railcar and auto truck discharging system and has a marshalling yard that can provide buffer storage in case of port congestion. The total area of the Group's Giurgiulesti port facility is approximately 7 hectares out of 56 hectares being the overall Giurgiulesti Port territory. Management believes that there are no other suitable land plots available for construction of any new berth in Giurgiulesti port.

The Giurgiulesti facility has a storage capacity of 90 thousand tonnes in vertical bins allowing it to handle trans-shipment of up to 6,000 tonnes of commodities per day.

The Danube Oil crushing plant at Giurgiulesti in Moldova, which the Group completed construction of and started operating in September 2022 has production capacity of 700 tonnes of premium organic sunflower seeds per day.

Reni port (Ukraine)

The Group's Reni port facility, which was acquired by the Group in 2014, is one of the major seagoing export facilities in the south-western part of Ukraine. The facility has two grain terminals, with a trans-shipment capacity of approximately 800 thousand tonnes. It has two loading berths of 101 and 93 metres long, enabling grain to be loaded onto seagoing vessels, including loading two seagoing vessels in parallel, at approximately 6,000 tonnes of grain per vessel. The facility operates an efficient railcar discharging system and has a marshalling yard that can provide buffer storage in case of port congestion. The Reni facility has a storage capacity of 73 thousand tonnes in vertical bins allowing it to handle delivery of up to 3,000 tonnes of grains per day.

Although the military conflict in Ukraine has a detrimental impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual, the Group's Reni grain terminals operate normally during FY 2023/24, FY 2022/23 and FY 2021/22, denoting an increased demand for its throughput capacities. The utilisation rate of the Reni port facility crossed 100 per cent. mark in FY 2021/2022. The Group continues close collaboration with Ukrainian agricultural producers, traders and local authorities, in order to facilitate the export of Ukrainian commodities through the Group's value chain.

Bačka Palanka and Pančevo ports (Serbia)

The Group's Bačka Palanka and Pančevo, which the Group acquired in 2021, are the major seagoing export facilities in Serbia. The facility has two grain terminals, with a trans-shipment capacity of approximately 2,000 thousand tonnes per year. The Bačka Palanka and Pančevo facility has a storage capacity of 70 thousand tonnes in vertical bins allowing it to handle delivery of up to 6,500 tonnes of grain per day.

In FY 2023/24, the Group utilised approximately 53 per cent. of the actual throughput capacity of those ports for its own trading operations. In order to ensure the efficient use of the terminals by third party clients, the Group requires clients to request monthly throughput volumes in advance, and then confirms whether the railways have the capacity to deliver the good to the port terminals from its inland silos.

The trans-shipment rates at both port facilities are U.S.\$8 per tonne for Group companies and for third-party companies.

In FY 2023/24, the total trans-shipment volumes through the Giurgiulesti port facility and the Reni port facility amounted to 1,120 thousand tonnes and 810 thousand tonnes, respectively. In FY 2022/23, the total trans-shipment volumes through the Giurgiulesti port facility and the Reni port facility amounted to 1,186 thousand tonnes and 800 thousand tonnes, respectively.

Partner Terminals

The Group has partnerships with terminals and operators at the Black Sea port of Constanța, which are important in relation to its operations in Romania and Serbia, including the origination of grains from inland Romania and Serbia, the origination of sunflower seed quantities in Latin America for shipment to the Group's crushing facilities in Romania and Serbia and the shipment of the output of the Tandarei and VictoriaOil crushing plants located in Romania and Serbia, respectively. These partner terminals and operators include the following:

- Comvex Export Grain Terminal, which has a sea depth of 19 metres and provides excellent access for loading of Panamax vessels, for instance cape size vessels of up to 140,000 deadweight tonnage. It has a technical capacity for receiving grains by truck, train-rail car and barge of 4 million tonnes annually each and a technical capacity for loading grains of 7.5 million tonnes annually by vessel, as well as by truck and train-rail car;
- SOCEP, which comprises two distinct terminals and offers a full range of services and operations for containers, bulk and general cargo. SOCEP's container terminal has an annual handling capacity of 500,000 twenty-foot equivalent unit ("TEU") and its general cargo terminal has an annual handling capacity of 3 million tonnes.
- Frial (the consolidation of which is expected to be completed in 2024), which is the largest terminal for crude vegetable oil at the port of Constanța, has a length of 114 metres and a depth of 8 metres, allowing the operation of ships with a capacity of approximately 12,000 freight tonnes. It has a storage capacity of approximately 27.6 thousand tonnes (7 tanks) (see "*Recent Developments*"); and
- UMEX, which operates an annual quantity of up to 1 million tonnes of grains and can simultaneously store a quantity of 25,000 tonnes of grains. UMEX provides grain loading rates to ships of up to 8,000 tonnes/24 hours. UMEX is building a new grain storage and handling terminal with an overall capacity of 2x80,000 tonnes, in two symmetrical storage facilities.

In the medium term, the Group is targeting 2 million tonnes throughput per year via partner terminals.

Crushing and Refining

The following table shows the crushing and refining segment's sales volumes, revenue and EBITDA by volume sold for FY 2023/24, FY 2022/23 and FY 2021/22.

		Year ended 30 June		
		2024	2023	2022
<i>Vegetable oil sold in bulk</i>				
Sunflower oil volume (own production)	(thousand tonnes)	253	259	248
Revenue	(U.S.\$ per tonne)	926	1,324	1,558
EBITDA	(U.S.\$ per tonne)	168	204	199
EBITDA margin	(%)	18%	15%	13%
Other vegetable oil volume (own production)	(thousand tonnes)	15	5	8
Revenue	(U.S.\$ per tonne)	949	598	1,457
EBITDA	(U.S.\$ per tonne)	270	354	496
EBITDA margin	(%)	28%	59%	34%
<i>Refined and packed vegetable oil</i>				
Sales volume.....	(thousand tonnes)	57	64	88
Revenue.....	(U.S.\$ per tonne)	1,201	1,497	1,693
EBITDA.....	(U.S.\$ per tonne)	246	270	290
EBITDA margin.....	(%)	20%	18%	17%
<i>Crushing and refining segment</i>				
Crushing volume.....	(thousand tonnes)	788	807	787
EBITDA.....	(U.S.\$ thousands)	60,783	71,910	79,049
EBITDA margin.....	(%)	14%	13%	12%
Revenue.....	(U.S.\$ thousands)	427,124	558,039	659,228
Sunflower crude oil.....	(U.S.\$ thousands)	248,990	344,834	440,377
Sunflower refined and bottled oil.....	(U.S.\$ thousands)	68,377	96,410	148,574
Sunflower meal.....	(U.S.\$ thousands)	109,757	116,795	162,105
Selling and distribution expenses.....	(U.S.\$ thousands)	22,303	31,599	31,560
Crushing margin.....	(U.S.\$ per tonne of seed)	76	94	99
Crushing costs.....	(U.S.\$ per tonne of seed)	14	15	11
Crushing margin at Trans-Oil Refinery.....	(U.S.\$ per tonne of seed)	74	100	93
Crushing cost at Trans-Oil Refinery.....	(U.S.\$ per tonne of seed)	15	15	13
Crushing margin at Floarea Soarelui.....	(U.S.\$ per tonne of seed)	76	88	100
Crushing cost at Floarea Soarelui.....	(U.S.\$ per tonne of seed)	15	15	11
Crushing margin at Tandarei.....	(U.S.\$ per tonne of seed)	73	102	75
Crushing cost at Tandarei.....	(U.S.\$ per tonne of seed)	15	18	13
Crushing margin at VictoriaOil.....	(U.S.\$ per tonne of seed)	82	97	108
Crushing cost at VictoriaOil.....	(U.S.\$ per tonne of seed)	10	10	10
Crushing margin at Danube Oil Company.....	(U.S.\$ per tonne of seed)	75	101	-
Crushing cost at Danube Oil Company.....	(U.S.\$ per tonne of seed)	15	20	-

(a) Bulk Vegetable Oil

In the FY 2023/24, the Group was the largest Moldovan producer and exporter of bulk vegetable oil, which is sold to customers mainly in India, Serbia, the EU, Iraq and Egypt. Total crushing and refining revenue of the Group was U.S.\$427,124 thousand in FY 2023/24, which contributed 18.5 per cent. to the Group's total revenue and represented 269 thousand tonnes of bulk oil, as compared to U.S.\$558,039 thousand in FY 2022/23, which contributed 26.1 per cent. to the Group's total revenue and represented 264 thousand tonnes of bulk oil.

Bulk Vegetable Oil Products

The Group sells bulk crude sunflower oil and bulk refined sunflower oil.

Bulk Crude Sunflower Oil.

Most crude oil is sold to global end-users. Crude sunflower oil in bulk is a widely traded commodity with well-established quality specifications. Its prices generally follow global trends for sunflower oil. Generally, there are no types or quality grades of bulk sunflower oil. In FY 2023/24, the Group sold 855 thousand tonnes of bulk crude oil, as compared to 502 thousand tonnes of bulk crude oil sold in FY 2022/23, all of which was exported.

For the last few years, the Group sources bulk crude and refined sunflower oil from third parties in order to meet client demand, as well as to increase its revenue and margins. In FY 2023/24, 68.6 per cent. of bulk crude oil sold by the Group was sourced from third parties, as compared to 47.5 per cent. of bulk crude oil sold sourced from third parties in FY 2022/23.

Bulk Vegetable Oil Customers

Almost all of the Group's bulk sunflower oil sales were made to major wholesalers, processors and global commodity traders. The Group's bulk sunflower oil customers include global traders and processors of agricultural commodities such as Bunge in the United States, COFCO in China, Luis Dreyfuss in Netherlands, Unigra and Tampieri in Italy.

In FY 2023/24, the Group's five largest customers accounted for 47.2 per cent. of bulk sunflower oil sales revenue, as compared to 53.2 per cent. in FY 2022/23. The Group's three largest customers in FY 2023/24 were Adani Wilmar Limited (11.2 per cent.), General Authority for Supply Commodities (GASC) (10.4 per cent.), and Etihad Food Industries Co. Ltd. (9.2 per cent.), together accounting for 30.8 per cent. of bulk oil sales revenue. The Group's three largest customers in FY 2022/23 were MK Agrotek Limited (15.8 per cent.), Gemini Limited (13.7 per cent.), and Adani Wilmar Limited (10.1 per cent.), together accounting for 39.6 per cent. of bulk oil sales revenue.

Management believes that due to the commoditised nature of the business, the Group would not be materially affected by the loss of one or more existing customers, since new customers will continue to be approached.

(b) Packed Vegetable Oil

The Group is the largest producer and vendor of bottled sunflower oil in Moldova and Serbia, with a market share of approximately 80 per cent. and 30 per cent. in FY 2023/24, serving customers in Moldova, Serbia and other countries.

In FY 2023/24, the Group sold 57 thousand tonnes of refined and bottled sunflower oil, accounting for revenue of U.S.\$68,377 thousand, or 3.0 per cent., of the Group's total revenue, as compared to 64 thousand tonnes of refined and bottled sunflower oil, accounting for revenue of U.S.\$96,410 thousand, or 4.5 per cent., of the Group's total revenue, in FY 2022/23.

The relative volume of bottled sunflower oil to be sold in any given year depends on prevailing market prices for both bottled sunflower oil and bulk sunflower oil. The Group can vary the product mix between bulk and bottled sunflower oil with a view to maximising profits depending on the prevailing market price on the relevant market.

The Group has a seamless seed-to-bottle process at the Floarea Soarelui and VictoriaOil plants, which has fully integrated crushing, refining and bottling operations. In FY 2023/24, approximately 21.8 per cent., or approximately 67 thousand tonnes, of the gross bulk sunflower oil produced by the Group was further refined, bottled and sold, as compared to 19.0 per cent., or approximately 65 thousand tonnes in FY 2022/23.

From time to time, the Group sources bottled sunflower oil from third parties in order to meet the client demand. In FY 2023/24, none of the bottled sunflower oil sold by the Group was sourced from third parties.

Packed Vegetable Products

The Group sells its bottled oil products under both third-party private labels and own brands, such as "FLORIS" in Moldova and "ISKON" in Serbia, which are leaders in their local markets and are increasingly sold internationally to retail customers. In aggregate, "FLORIS", "PRIVOLIE", "ISKON" and others, all of which are sold through retail networks, accounted for almost 90 per cent. of the Group's domestic bottle oil sales revenues in In FY 2023/24, the average sales price to the Group's customers was equivalent to U.S.\$1.10 per litre.

Packed Vegetable Oil Customers

In FY 2023/24, the Group substantially sold all of its bottled oil products in Moldova and Serbia. In Moldova, the Group sells bottled sunflower oil to one nationwide retailer, two nationwide distributors and its own stores. In Serbia the majority of its bottled oil products was sold via direct agreements with nationwide distributors, local retailers and end-users. The Group's five largest customers In FY 2023/24 by sales accounted for 44.9 per cent. of bottled oil revenue.

(c) Sunflower Oil Meal

Each of the Group's plants produce meal in addition to sunflower oil. The price of the oil meal is significantly lower than the value of sunflower oil, as it is typically sold as a component for animal feed. Prices for meal are generally correlated with grain prices and the Group exports most of its meal to EU countries.

In FY 2023/24, the Group produced 339,354 tonnes of oil meal, as compared to 324,953 tonnes of oil meal produced in FY 2022/23. Total revenue from the sales of oil meal was U.S.\$109,757 thousand in FY 2023/24, which contributed 4.8 per cent. to the Group's total revenue and represented 325,637 tonnes of oil meal, of which approximately 95 per cent. was exported. In FY 2022/23 the Group's total revenue from sales of oil meal was U.S.\$116,795 thousand, which contributed 5.5 per cent. to the Group's total revenue and represented 335,522 tonnes of oil meal, of which approximately 95 per cent. was exported.

In FY 2023/24, the Group produced 339,354 tonnes of meal, of which of which approximately 95 per cent. was exported, as compared to 335,522 tonnes of meal produced in FY 2022/23, of which approximately 95 per cent. was exported. The value of meal is significantly less than the value of sunflower oil, as it is typically sold as a component for animal feed. Prices for meal are generally correlated with grain prices and the Group exports most of its meal to EU countries.

Sunflower Oil Meal Customers

The Group sells sunflower meal to feed compounders and traders such as NATIONAL FEED COMPANY , Oman, OLIVA AD in Bulgaria, BORSARI in Italy, Bunge in Spain and VAMOS TARIM SANAYI VE TICARET in Türkiye. Although the Group derives a substantial portion of its revenues in the oil meal sales from key customers, no single customer regularly accounts for more than 15 per cent. of the Group's oil meal revenue. The Group's five largest customers by sales accounted for 47.8 per cent. of oil meal revenue in FY 2023/24.

Capital expenditures

For details of the Group's capital expenditures, see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Capital Expenditure*".

Competitors

Oilseed and grain

The Group is the top oil and grain exporter in Moldova, surpassing its closest Moldovan competitors by more than eight times in terms of revenue from agricultural export operations, according to Company data. The Group owns the largest oilseed processing complex in Moldova, representing approximately 93 per cent. of the country's crushing capacity. On the international markets, the Group competes with many other players that sell commodities in the same distribution area, in particular, Kernel and Nibulon from Ukraine, Linas Agro from Lithuania and integrational giants such as Bunge, Cargill, Ameropa, Cofco, Glencore, Louis Dreyfus and ADM.

Terms of sale

Delivery Terms

Delivery terms with customers vary by product, which allow cost and risk to be allocated between the Group and its customers. The Group endeavours to negotiate contracts with customers on CIF, CPT, FOB, EXW and FCA terms (all on terms based on INCOTERMS'2010).

Free On Board ("FOB")

The Group delivers goods to and loads them on the customer's designated shipping vessel after receiving export clearance and paying export duties.

Ex-Works ("EXW")

The Group makes the goods available to the customer at its premises, or at another named place.

Carriage Paid To ("CPT")

The Group delivers goods to the customer's named place and carries out export clearance, but risk transfers from the Group to the customer at the point where goods are taken by a carrier.

Cost, Insurance and Freight ("CIF")

The Group delivers goods to the customer, paying for the cost of freight and insurance for the goods and the customer only bears the cost of unloading the goods.

Delivery at Point (“DAP”)

The Group delivers the goods to customer’s named place, paying for the cost of transportation of the goods and the customer only bears the cost of unloading the goods.

Free Carrier (“FCA”)

The Group delivers goods to a designated carrier after receiving export clearance and paying export duties.

Payment terms

The payment terms on which products are sold are primarily cash against documents and, more rarely, letters of credit:

Cash Against Documents (“CAD”)

After loading the cargo, the Group sends over the copies of export documents to the customer, which instructs its bank to proceed with the payment accordingly. The customer cannot discharge the goods without original export documents, which are sent upon the receipt of funds. Under these terms, the Group does not bear the credit risk of its counterparty.

Letters of Credit (“LC”)

When dealing with certain customers, the Group requires a letter of credit from the customer’s bank before delivering goods. Upon the Group’s delivery of appropriate documentation in respect of the goods, the customer’s bank pays the Group directly, whether or not the customer has the ability to pay.

Sales of oilseed and grain are made on standard INCOTERMS and are generally transacted on a CAD basis. Goods delivered through ports will be sold either FOB, CPT or delivered to the country of the buyer on a CIF basis. Bulk oil sales are typically sold both on a FOB and CIF basis and paid for on a CAD basis. In the bottled oil sales, contracts are customer specific rather than standard. In particular, the Group may offer deferred payment to distributors of up to 30-90 days. Bottled oil is typically sold on a CIF/DAP basis.

Intellectual Property

The Group’s key intellectual properties are the trademarks used in the bottled oil segment. The Group owns 62 trademarks, out of which 12 are registered with the World Intellectual Property Organization and 50 are registered in Moldova, including the Group’s brand name “Trans Oil group of companies”. Its largest brand, Iskon, is registered in Serbia and is a leading brand of bottled sunflower oil in the Balkans.

Regulatory Compliance

NBM Authorisation

Under Moldovan currency regulations, any guarantee or security (collectively falling under the Moldovan law concept of “garanție”) by a Moldovan resident granted to a non-resident and to secure a transaction between non-residents requires an NBM Authorisation. In the absence of an NBM Authorisation, a cross-border payment under such guarantee or following enforcement of such security is prohibited and would not be processed by Moldovan banks or payment service providers. However, intragroup transfers, upstream payments of dividends and other intragroup cash management operations in the ordinary course of business of the Group do not require an NBM Authorisation. (see “*Risk Factors—Risks Relating to the Notes, the Guarantees, the Security and the Trading Market — Moldovan currency control regulations may restrict the Moldovan Guarantors’ ability to make payments under the Moldovan Guarantees and the Security Trustee’s ability to repatriate proceeds of enforcement of the Security from Moldova*”).

Import Licensing Mechanism

In October 2023, the Moldovan Commission for Emergency Situations introduced the import licensing mechanism aimed at protecting local agricultural producers, particularly restricting the import of grains and oilseeds, including sunflower seeds, which are needed for the production of vegetable oil. Later, this mechanism was incorporated into the Law No. 170. This mechanism imposes quotas, requiring import licences for these items. During FY 2023/24, the import restriction had very limited impact on the Group’s crushing operations in Moldova. Additionally, the Group obtained a licence to import around 60 thousand tonnes of sunflower seeds from Ukraine in FY 2024/25. The import licensing mechanism will remain

in force until 31 December 2024, a term that can be extended by the Moldovan Government for up to 12 months at the proposal of the Ministry of Agriculture and Food Industry. The Group is in compliance with the import licensing mechanism and intends to maintain its compliance for as long as such mechanism remains in force (see also “*Risk Factors—Country Specific Risks—Risks Relating to Moldova—The commodity import licensing mechanism adversely impacts the Group’s crushing and refining operations*”).

Permits and authorisations

The Group’s business depends on the continuing validity of several permits and authorisations and, consequently, the compliance with the terms thereof. Management believes that the Group operates its facilities in compliance in all material respects with the applicable permits and authorisations requirements.

Environmental control

The Group is committed to sustainable development and minimisation of its environmental impact. From FY 2020/21 to FY 2023/24, the Group decreased its consumption of fresh water from 251 litres per tonne of output to 215 litres per tonne; reduced emission of carbohydrates from 26.3 kilograms per tonne of output to 16.6 kilograms per tonne, optimised electricity utilisation from 110.03 mega joules per tonne of output to 81.15 mega joules per tonne and also improved waste recycling rate from 97.9 per cent. to 98.8 per cent. The Group complied with the Environmental Health and Safety Standards developed by the IFC and the EBRD, during the periods under review.

The Group had following environmental or technological incidents during the periods under review:

FY 2021/22 – 2 Incidents:

- A dryer at Ulei-Nord SRL caught fire and was extinguished with no casualties or major damage.
- A short circuit occurred in the transformer at Unco-Cereale SRL. The situation was resolved without any injuries or major losses.

FY 2022/23 – 3 Incidents:

- Two silos at Danube Oil Company SRL collapsed. There were no injuries, but the silos were destroyed, and some of the stored production was partially lost.
- Production from two additional silos self-ignited, causing smoke for several weeks until a decision was made to demolish them. We chose to settle the issue through verbal agreements and paid a fine.
- A minor leak of oily sediments occurred at the sewage treatment plant, releasing some material into the Prut River. The leak was quickly contained, and the issue was resolved without sanctions or further consequences.

Since 2015, under applicable Moldovan law, public and private projects which are likely to have significant effects on the environment are subject to environmental impact assessment. Sunflower oil producing facilities with a capacity of more than 1,000 tonnes per day may be considered to pose increased environmental hazards. Such facilities may be subject to mandatory state environmental examinations, requiring pre-project documentation and documentation on the installation of new machinery or the introduction of new technologies to be submitted to the state for review. Further, in its operations, the Group uses various chemicals and produces solid, liquid and gaseous wastes that are subject to various environmental laws and regulations. Management believes that the Group complies in all material respects with the applicable environmental requirements. Other than as disclosed in this Information Memorandum, the Group has not incurred material environmental liabilities and has not been subject to material environmental investigations in the past.

Use of genetically modified organisms

Moldova and other countries where the Group operates have a system of mandatory labelling for food products which were genetically modified, or were produced with products containing GMO. To the management’s knowledge, the Group does not use GMO in its products and the Group does not purchase grain which contains GMO.

Use of pesticides and agro-chemicals

Both the use and the control over using pesticides and/or agro-chemicals is regulated in Moldova, Romania and Serbia. This is done, *inter alia*, to exercise countries’ obligations under the relevant international treaties (e.g. Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International

Trade). Management believes that, to the extent the Group uses pesticides and agro-chemicals in its operations, it complies with the requirements in relation to their use.

As part of its compliance with the requirements under credit facilities provided by DFIs, such as the FMO and BSTDB, the Group has historically established, and continues to maintain, high standards of environmental and health and safety compliance, which are stricter than those provided by Moldovan, Romanian and Serbian laws and regulations. The Group's compliance with the relevant requirements to environmental and health and safety is regularly inspected by the relevant DFIs.

Insurance

The Group's businesses and assets are subject to varying degrees of risk and uncertainty. The Group maintains an insurance programme and holds various insurance policies covering its main activities and its most significant assets in Moldova, Ukraine, Romania and Serbia. The Group's key assets are insured against standard business risks such as natural disasters and business interruptions. The Group also insures against third-party liability for amounts it believes are sufficient and customary.

IT

The Group uses accounting management, ERP, closed virtual private networks and Oracle database systems. The Group's data is subject to a daily back-up in three different locations. In the event of outage or failure, the Group's data can be recovered within 40 minutes or faster, using Oracle fast recovery system. The Group maintains developed IT security restrictions and video surveillance on its sites and transport.

Employees

The Group is one of the largest employers in Moldova with more than 1,694 employees in the country. Approximately 27 per cent. of its employees are women. The Group benefits from a relatively low staff turnover rate which decreased from 25 per cent. in FY 2015/16 to 23 per cent. in FY 2023/24.

The Group had no fatalities or severe accidents in the periods under review (and one in the past five years).

The Group aims to improve its employees' qualifications. In FY 2023/24, the Group dedicated an average of 12 training hours per employee a year.

The Group contributes to environmental, social and governance programmes, including investing in local communities. In Moldova, the Group has invested U.S.\$115 million in local infrastructure since June 2012, supplies a pre-crop loan facility of up to U.S.\$43 million to support local farmers, organises public events for children, and also engages in such activities as tree planting, rubbish collection and road repairs.

The following table details the average number of the Group's employees by function for FY 2023/24, FY 2022/23 and FY 2021/22:

<i>Employees by function</i>	As at 30 June		
	2024	2023	2022
Executives/senior management	31	29	27
Origination	228	243	235
Silo storage facilities	1,031	1,054	1,092
Oilseed crushing plants.....	891	947	918
Loading port facilities.....	278	300	296
Other	203	175	202
Total.....	2,662	2,748	2,770

The following table details the average number of the Group's employees by location for FY 2023/24, FY 2022/23 and FY 2021/22:

	As at 30 June		
	2024	2023	2022
Employees by country			
Moldova.....	1,694	1,638	1,519
Ukraine.....	123	117	118
Romania.....	192	184	182
Serbia.....	636	793	935
Switzerland.....	17	16	16
Total.....	2,662	2,748	2,770

The Group’s employees at certain of the Group’s facilities are covered by collective labour agreements. There are also trade unions represented at some of the production sites/companies. To date, the Group has not experienced a labour-related work stoppage.

Most employees of the Group receive pension benefits from the National Social Insurance House, a Moldovan governmental organisation. The Group contributes a specified percentage of payroll to the National Social Insurance House to finance pension benefits in accordance with applicable legislation. The Group does not have any further obligations. As at 30 June 2024, the Group was not liable for any significant supplementary pensions, post-retirement health care, insurance benefits or retirement indemnities to its current or former employees.

Sustainability

In order to foster environmental sustainability, the Group prioritises initiatives that minimise environmental footprint, promote social equity, and support the well-being of communities where the Group operates. The Group continuously strives to enhance its sustainability practices through innovation across its supply chains and by making sustainability a core part of its business culture. At the core of its operations, the Group upholds four essential pillars: people, operations, supply chain and community. Through its dedication to these pillars, it strives to foster a culture of inclusivity, environmental stewardship, community engagement, and ethical sourcing, ensuring a sustainable and responsible approach to business. The Group has made sure that its sustainability policies are aligned with the United Nations Sustainable Development Goals, which the Group has sought to follow in all of its strategies, operations and initiatives at the global, regional and local level. The Group, reports on sustainable development topics on an annual basis and since 2022 publishes sustainability reports providing valuable insights into the Group’s impact on the environment, society, and economy, demonstrating a commitment to long-term viability and positive societal impact.

The Group treats its people as being the most important factor in its long-term success. As such, the Group has made gender equality, diversity and inclusion (“**DEI**”) its key priority. The Group actively promotes DEI principles in all of its HR policies, codes of conduct and operations. The Group has also implemented policies to create a work environment free of any forms of discrimination or harassment. Furthermore, the Group constantly upgrades its infrastructure and equipment, with a view to improving the health and safety of its employees.

To promote community wellbeing and stakeholder engagement, the Group contributes to local communities by creating new well-paid jobs in rural areas. The Group also leverages its international networks to connect local agricultural producers and farmers with global food markets, thereby contributing to the eradication of poverty and hunger in the world.

Legal proceedings

From time to time, in the ordinary course of business, the Issuer and other members of the Group, including the Guarantors, are involved in legal proceedings related to their operational and trading activities.

The Group, including the Guarantors, are not a party to any legal proceedings or litigation that, in the Group’s judgment, is material in the context of the issue of the Notes, except as disclosed below.

Agribrasil Global Markets SA v. Aragvi Holding International Ltd.

Agribrasil Global Markets SA (“**Agribrasil**”) alleges that the Parent provided a guarantee to allow discharge of approximately 65,000 mts of Brazilian yellow maize that Grains Middle East Trading DWC LLC (“**GMET**”) had agreed

to buy from Agribrasil pursuant to a sale contract dated 14 August 2023. GMET did not pay the purchase price, accordingly Agribrasil sought payment from Aragvi under the alleged guarantee.

Agribrasil claims U.S.\$18,129,958.45 or €17,034,908.96 as damages and/or indemnity, plus interest at 24 per cent. per annum and costs, and financing costs of around U.S.\$325,000. The Parent filed defence submissions, denying the claim (and challenging the validity of the guarantee and the jurisdiction of the tribunal). The hearing is anticipated to last five days and dates at the end of March 2025 are being discussed.

The Group has recorded a provision in respect of the entire claimed amount in its financial statements, as its subsidiary obtained control over the 65,000 metric tons of Brazilian yellow maize that was the subject of the sale.

Langlois Enterprises Ltd. v. TOI Commodities SA

Langlois Enterprises Ltd. (“**Langlois**”), as owners of the mv “ANNA SMILE”, filed a claim against TOI Commodities SA, as charterers, of U.S.\$3,391,116.96 plus interest and costs in respect of unpaid freight and detention. On 22 May 2024, the tribunal awarded Langlois the full amount, with interest compounded at 6 per cent. per annum and additional costs. As demurrage/detention was continuing, Langlois served further claim submissions claiming U.S.\$980,486.11 plus interest and costs. TOI paid to Langlois U.S.\$4,600,000 and negotiated a settlement agreement whereby TOI received a haircut of 10 per cent. in respect of detention and/or demurrage, to be paid in six monthly instalments commencing 16 December 2024.

TOI Commodities SA v. Medigrain SA

TOI Commodities SA has initiated a claim against Medigrain SA in GAFTA arbitration regarding an alleged agreement for Medigrain to purchase two lots of Moldovan-origin barley. Medigrain disputes the existence of the contracts and refused to perform. TOI Commodities SA is seeking U.S.R\$147,247.79 plus interest. Arbitration proceedings commenced on 18 September 2024.

Floarea Soarelui SA Investigation

Floarea Soarelui SA, a subsidiary of the Group and a key player in Moldova’s sunflower seed processing market, is currently subject to an investigation initiated by the Competition Council of the Republic of Moldova. The investigation was launched on 31 May 2022, under the Decision of the Competition Council Plenum, and concerns allegations of anti-competitive practices and abuse of a dominant market position. The focus of the investigation includes claims related to pricing practices that could potentially hinder fair competition in the sunflower seed market.

On 5 April 2024, Floarea Soarelui SA initiated legal proceedings against the Competition Council, seeking annulment of specific orders that restricted access to critical documents in the investigation. The case is currently pending before the Chisinau Court. Despite these legal actions, the Competition Council has continued its investigation and scheduled hearings, the most recent of which took place on 17 September 2024. Floarea Soarelui SA has filed multiple requests to suspend the investigation until the court reaches a final decision on the matter, but these requests have not been granted.

The potential financial impact on Floarea Soarelui SA, should the Competition Council render a judgement adverse to the Group, could include a fine ranging from 2 per cent. to 10 per cent. of the Group’s total annual turnover obtained during the year previous to the application of the sanction (the maximum fine is 4 per cent from the turnover, but it may be increased in cases of aggravating circumstances to a maximum of 10% of the total turnover of the Group obtained for the year prior to the sanctioning). The investigation remains ongoing, and no final decision or sanctions have been imposed as of the date of this Information Memorandum.

REGULATORY OVERVIEW

Moldova

Environmental regulations

The applicable legal framework in Moldova is comprised of over 30 laws and even more secondary normative acts. It is the role of the Ministry of Agriculture and Food Industry and the Ministry of Environment and its subordinated niche agencies to monitor the efficiency of the relevant standards in the field. Moldovan legislative measures cover extensive environmental sectors, including water, air, nature, waste and chemicals, and others which deal with cross-cutting issues such as: environmental impact assessment, access to environmental information, public participation in the environmental decision-making and liability for environmental damage.

Companies shall among others ensure on-going supervision of the constructions and installations during their operation, and shall take measures to prevent environmental damage and accidental pollution. However, in the event of their occurrence companies shall take operative measures to eliminate the causes thereof, and immediately notify the environmental authorities. The liquidation of the consequences of the accidents or accidental pollutions, including the reparation of damages, rests with the companies causing them.

In line with the European standards (Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment), starting from April 2015, the Environmental Impact Assessment Law No. 86 dated 29 May 2014 has been seeking to integrate environmental considerations in the public and private projects' approval process. A key environmental permit (*acord de mediu*) for the commissioning of sunflower oil producing facilities with a capacity of more than 1,000 tonnes per day is required only if the relevant competent authority decides that an environmental impact assessment shall be made. The environmental impact assessment is mandatory for certain activities set forth by Moldovan legislation such as the integrated chemical installations for the manufacture of phosphorus, nitrogen and potassium fertilizers.

The environmental legislation provides for other authorisations, such as the authorisation for the special use of water or the fixed-point pollutant emissions in the atmosphere. The former authorisation shall be required for any use of water other than (i) human consumption or household needs, (ii) animal watering, (iii) bathing and recreation, and (iv) intake and use of water for firefighting or any other emergencies. The latter authorisation is required for any entity the activity of which, directly or indirectly, affects air quality. Such authorizations are published on the official website of the environmental authority.

Water users are obliged to follow the principles of rationality and economy. Water users shall take measures to:

- protect water against pollution;
- respect the rights of other water users;
- keep records of and report on the water used by it, according to regulations approved by the Government;
- comply with the environmental quality standards for water approved by the Government and with the conditions for using water resources, including those outlined in the environmental authorization for the special use of water;
- use water resources in accordance with the regulations governing water protection zones and riparian buffer areas;
- treat wastewater prior to its discharge into receiving waters;
- promptly notify the Environmental Protection Inspectorate of any emergency situations that may affect the condition of water bodies and, when necessary, to take measures to prevent or mitigate their impacts; and
- provide compensation for any caused environmental damage in accordance with applicable environmental legislation.

Starting from December 2017, the Law on Waste No. 209 dated 29 July 2016 was enacted to transpose the Directive 2008/98/EC on waste into Moldovan legislation. This reform laid down measures to protect the environment and human health, prevent or reduce the adverse impacts of waste generation and management, reduce overall impacts of resource use and improve the efficiency of resource use.

This law extended producers' responsibility by introducing measures such as the acceptance of returned products and remaining waste. Among other things, producers are obliged to:

- enter into waste management agreements with authorized entities;
- register as producers with the Moldovan environmental authority;
- keep records of products placed on the market in the past five years and report annually the quantity of products available on the market to the Environment Agency.

The above-mentioned law also sets additional general requirements for the holders of environmental permits for waste management. Failure to observe the environmental legal requirements may result in administrative or criminal sanctions, including the suspension, limitation or deprivation of the right to perform certain activities, and in certain cases in a forced liquidation of the offender. Third parties also have rights to seek indemnification of damages.

Export and import

The Customs Code No. 95 dated 24 August 2021 constitutes the main piece of Moldovan legislation in the area of international trade. According to this law, goods produced in Moldova as well as those previously imported can be freely exported except for the goods that are subject to prohibition or restriction for economic policy reasons. Imports and exports are subject to the following duties:

1. customs duty (calculated as a percentage of the natural volume or customs value of the goods). Exported goods are exempted from the customs duties, except where the international trade treaties ratified by Moldova set out specific prohibitions;
2. VAT (calculated as a percentage of customs value and import rights except VAT of the goods – standard VAT rate is 20 per cent. or reduced 12 per cent. VAT rate applicable to food and non-alcoholic beverages). Exported goods are exempted from VAT with the right to deduction;
3. duty for customs procedures (imposed either as a fixed charge or as a percentage of customs value of the goods, generally, at the rate of 0.1 per cent. at export of goods and to 0.4 per cent. at import of goods).

Import and export duties shall be paid in advance (until the customs declaration is submitted) by way of transfer and/or cash or credit cards. At the time of customs clearance, the difference between the calculated amount and the amount paid in advance is accepted. Certain goods are subject to phytosanitary control upon export (e.g. wheat, rye, barley, and oat). Export of these goods is authorised based on the (i) phytosanitary export (re-export) certificate, and (ii) control carried out by the competent inspector. Customs authorities will authorise the export of goods subject to control only after completion of the phytosanitary or sanitary inspection.

Although GIFP is a constituent customs territory of Moldova, goods supplied through GIFP are subject to a duty relief scheme allowing for:

- goods to be placed in the territory of GIFP, from the rest of the customs territory of Moldova are exempted from VAT (with the right to deduction of the input VAT) and customs duties (except the duty for customs procedures);
- goods to be placed in the territory of GIFP, from outside of the customs territory of Moldova, are exempted from VAT (with the right to deduction of the input VAT) and customs duties (except the duty for customs procedures);
- goods to be placed in, and those to be moved out, from the territory of GIFP to the territory of other Moldovan free economic zones are exempted from VAT (with the right to deduction of the input VAT) and customs duties (except the duty for customs procedures);
- goods to be moved out, including those originating from GIFP, from the customs territory of Moldova are exempted from VAT (with the right to deduction of the input VAT) and customs duties (except the duty for customs procedures).

The system of customs declaration is mandatory for goods delivered in or out the customs territory of Moldova, including GIFP.

The Association Agreement between the EU and Moldova was signed in June 2014 and has been in full effect since July 2016. The Agreement has been provisionally applicable since September 2014 and Moldova has benefitted from a the DCFTA with the EU.

Insofar as trade with the European Union in concerned, under the Association Agreement between the EU and the European Atomic Energy Community and their Member States, on the one side, and Moldova, on the other side, the parties undertook, *inter alia*, to:

- gradually reduce or eliminate customs duties on originating goods;
- not increase any existing customs duty, or adopt any new customs duty, on originating goods;
- not adopt or maintain any prohibition or restriction on the import (the exceptions provided in Article XI GATT 1994 are applicable); and
- improve investment conditions in light of the application of the DCFTA.

Fertilisers and phytosanitary products

The Law on Phytosanitary Products and Fertilizers No. 119 dated 22 April 2004, and the Regulation on the Management of Phytosanitary Products and Fertilisers in the National Economy, approved by Order of the Ministry of Agriculture and Food Industry No. 231 dated 28 November 2003, and the Regulation on import, storage, sale and use of Phitosanytary Products and Fertilizers, approved by Government Decision No. 1045 dated 5 October 2005 constitute the main pieces of legislation in the area. They set specific rules for importing and/or commercialising phytosanitary products and fertilisers, which refer to:

- importing and/or commercialising only phytosanitary products and/or fertilisers homologated in the Republic of Moldova and included in the Register of Phytosanitary Products and Fertilizers, as well as fertilisers marked “Fertilizer CE”; the import documentation to include the: (i) sale-purchase agreement; (ii) producer’s quality certificate; (iii) import invoice; (iv) import notification, or, as the case may be, the notification on producing the phytosanitary products and fertilisers, which shall contain data on the registered specialised warehouse;
- submitting quarterly information, mainly on the imported and/or commercialised quantities of phytosanitary products and fertilisers (indicating the buyer) to the National Agency for the Food Safety (the “**Food Safety Agency**”);
- keeping records on the imports, commercialisation and stock of phytosanitary products and/or fertilisers in the Register of Records, registered and sealed by the Food Safety Agency;
- prohibition to import phytosanitary products and/or fertilisers the period of validity of which expires in less than one year after they cross the customs border of the Republic of Moldova.

Imported phytosanitary products and fertilisers must be labelled in the Romanian language or in the Romanian and Russian languages, as per the recommendations approved by the State Centre of Attestation and Homologation of the Phytosanitary Products and Fertilisers. The label must indicate, *inter alia*: the number and date of the certificate of homologation; rules of use, which are applied to crops they manufacture and against which harmful organism; country of origin; dose (consumption standard); number of treatments; decomposition period; waiting period; application prohibitions or limitations; explosive and/or flammable particularities of the product and packaging thereof; safety measures upon application of the product; methods of first medical aid in case of intoxication; trade name; content of the active substances; the manufacturing company and its registered address; the number of the lot and its date of manufacture; risks to humans, animals and the environment; impact of the product, secondary effects and conditions of storage and packaging.

Phytosanitary products and fertilisers must be stored in specially arranged warehouses, exclusively for the storage of such products and officially registered by the Food Safety Agency. Companies must record the import, commercialisation, storage, use and distribution, as well as the volume and terms of use of these products. The Food Safety Agency monitors such records according to the data available in the Registry for Import, Commercialisation and Storage Records of Phytosanitary Products and Fertilisers.

Moldovan policy in the agricultural sector

The National Agricultural and Rural Development Strategy for 2023-2030 approved by the Government Resolution No. 56 dated 17 February 2023 is and, in fact according to the unofficial consensus of the state representatives, continues to be the underpinning document for agricultural policy providing three main objectives for future sustainable development and welfare:

1. Increasing the competitiveness of the agriculture industry by restructuring and modernising the market. This objective is intended to be achieved by:
 - i. modernising the agro-food chain, so as to conform with the European Union's requirements on food safety and quality;
 - ii. facilitating access to the capital markets of inputs and outputs for farmers;
 - iii. reforming the system of education, scientific research and rural extension services in the agricultural sector and creating an integrated information system in agriculture.
2. Ensuring sustainable management of natural resources in agriculture. This objective is intended to be achieved by:
 - i. supporting land and water management practices;
 - ii. supporting environment-friendly production technologies, ecologic products, including biodiversity;
 - iii. increasing the capacity of agricultural companies to adapt to climate change.
3. Improving living standards in rural areas. This objective is intended to be achieved by:
 - i. allocating investments in infrastructure and services in rural areas;
 - ii. increasing employment opportunities in the non-agricultural field and increasing local income;
 - iii. stimulating community involvement in rural development.

Regulation of Moldovan vegetable oil industry

Aside from the general rules applicable to food products (see “—*Food safety and labelling requirements*”, “—*Sanitary control and supervision*” and “—*Health and safety*”), the Government Resolution on Approving the Quality Requirements for Edible Vegetable Oils No. 15 dated 10 January 2024 - in line with the applicable European standards (Council Regulation (EC) No. 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products) and certain normative acts of the Codex Alimentarius Commission - lays down specific industry rules:

- production of vegetable oil, with the use of food additives, is admitted provided that specific established requirements are complied with;
- storage of liquid vegetable oil shall be done in clean, uninfected, well-ventilated spaces away from sunlight and frost. The recommended storage conditions include relative air humidity of 75 per cent. and temperature of 2°C to 25°C.

Domestic producers in the industry are protected from dumping practices. The Law on Anti-Dumping, Compensatory and Safeguard Measures No. 820 dated 17 February 2000 establishes an anti-dumping duty on imported products that cause damage to domestic producers of similar products or pose a risk of such damage (causal nexus must be proved by the Group upon requesting the investigation). Competent authorities may impose provisional or definitive measures on the importer's products. Provisional anti-dumping duty is imposed, after due procedure, for a period of 6 months that may be extended for the other 3 months. An anti-dumping measure will only remain in force for as long as, and will be applied to the extent necessary, to counteract the dumping causing prejudice.

Food safety and labelling requirements

Food safety and labelling requirements are comprehensive and deal primarily with production, storage, transportation, placing on the market and transparency instructions. Main pieces of legislation include the Law on food safety No. 306 dated 30 November 2018, the Law on Informing Consumers on Food Products No. 279 dated 15 December 2017, the Law on General Food Hygiene Requirements No. 296 dated 21 December 2017, and the Law on Consumer Protection No. 105-XV dated 13 March 2003.

Food operators (the “**FO**”) throughout the food chain – producers, sellers, and suppliers – must ensure that food products are safe. On the whole, industry rules have been streamlined in 2017, delimitating the enforcing authorities’ competencies in fuller detail and curtailing a fair bulk of the “red tape” rules. A wide-ranging legislation that applies to all types of FO lay down intricate safety standards, while special legislation on vegetable oil, wheat, barley, corn prescribe safety requirements characteristic to these food products. The competent enforcing authorities are the Food Safety Agency, the National Public Health Agency (the “**Public Health Agency**”) and the Ministry of Health.

The WTO Agreement on the Application of Sanitary and Phytosanitary Measures, which the Republic of Moldova is a party to, imposes food safety requirements, which are established based on a risk assessment for humans. In addition, producers must control the safety of each lot of food products and contact materials thereof, record the results of such controls, maintain and transmit them to the buyer with the quality certificate, the conformity certificate or the conformity declaration.

Buying and selling cereals produced in Moldova is subject to quality attestation carried out as per the understanding of the contracting parties. Expenses related to cereals or cereal derivatives unusable for food, feed or technical purposes (transportation, storage, expertise or destruction), as confirmed via laboratory analyses, shall be covered by the FO responsible for the quality loss.

FO must report to the competent authorities any suspecting threats to the safety or quality of food or contact materials thereof in respect with placing on the market, and also concomitantly outline the risk management strategy (measures undertaken for prevention, mitigation or elimination of hazards). Food products that fail to meet safety standards, and are called back from the market, are subject to the appropriate state safety investigations (sanitary-epidemiological, sanitary veterinary etc.). After such investigations, the competent authority will consider two possibilities (i) allowing conditional use, or (ii) destroying the food products. Consumers may claim monetary compensation from the seller and/or supplier, suffered as a result of unsafe food products. However, liability for payment of an award of damages is subject to a causality assessment and subsequent proof (friendly settlements in lieu of legal proceedings are permitted). There is no gravity threshold in order for the consumer to be entitled to file a grievance in court. However, courts do consider the seriousness of the injury or loss, if any, in establishing the quantum of an award.

Food producers and/or manufacturers shall ensure that food products and contact materials thereof are adequately labelled and identified. Food products must be pre-packaged and packaged in ways to ensure that their quantity, quality and safety is intact when stored, transported and distributed. The food manufacturer must indicate its trademark and address (telephone contact, if available). Also, the food manufacturer shall indicate, *inter alia*, the process of obtaining the oil, name of the raw material processed, mass/volume, main qualitative characteristics, country of origin, rules of use, storage, the energy value as well as contraindications, if any, and potential risks. Sellers and suppliers must inform the consumers on the information indicated by the manufacturer. Labels must also include the following:

- name of the food product, which shall contain information on the raw material and, in the case of oil, the process how it was obtained;
- shelf life and the following statement “to be consumed preferably before the end of [date/reference to where the date is indicated on the label]”. If necessary, this statement should be supplemented by information concerning storage conditions;
- ingredient list, which must be in descending order of quantity (certain exceptions may apply). If vitamins, minerals (in certain quantities) or food additives are added to food products, they must also be included on the label;
- information on the FO, including its business name and address; and

- nutritional statement, including the energy value, the amount of fat, saturated fatty acids, carbohydrates, sugars, proteins and salt.

In the case of block trade, the information must be mentioned in the accompanying documents. Unpacked food products or packed at consumer's request at sale must include certain information posted in a clear manner. The FO must be able to identify the methods and conditions of production and the suppliers of any substance that is to be or could be incorporated into the food products and in the food contact materials (by maintaining relevant documents for 3 years in case of vegetable oil, and 5 years in case of wheat, barley, and corn). The FO must be able to provide this information to enforcing authorities on demand. This is known as traceability and is used in case of recalling unsafe food and monitoring their effects on human health. Pest monitoring measures include preventing and monitoring the contamination of the cereals. Storage microclimate must be strictly observed and monitored so as to prevent cereals' degradation and contamination. To this end, proper ventilation, which may be either natural or mechanical, is required.

In 2017, the legal framework was adopted for implementing the Rapid Alert System for Food and Feed – a communication network that will be available across Moldova for reporting/notifying direct or indirect safety hazards of food products and feed. Operational as of mid-February 2017, the Rapid Alert System for Food and Feed sets out similar patterns to those previewed by the European Union for this communication network. The Food Safety Agency is designated national contact point that can directly liaise with the contact point of the state that is subject of a notification.

Best practices in food hygiene, in line with the European standards - Regulation (EC) No. 852/2004 on the hygiene of foodstuffs, Regulation (EC) No. 853/2004 laying down specific hygiene rules on the hygiene of foodstuffs etc. - are, as of 12 July 2018, a requirement for FO throughout the food chain. While, as of the beginning of 2019, the fair information practices will rest on the FO for the assurance of a high level of consumer protection in relation to food information, taking into account the differences in the perception of consumers and their information needs, whilst ensuring the smooth functioning of the Moldovan market.

Sanitary control and supervision

The overall objective of the Food Safety Agency (for enforcing authorities, see “—*Food safety and labelling requirements*”) is to apply the “farm-to-consumer” policy according to which the safety of food products must be observed and complied with at all stages of the food chain. This includes overseeing plants' health, primary production, food processing, storage, transport and marketing.

Generally, before placement on the market, products shall be authorised by the Food Safety Agency. The methods and forms of such authorisation (notification, approval or state registration) are established in the secondary legislation in the sanitary field. The same applies with regard to the categories and types of products to be authorised. Particularly, agricultural raw materials, food and feed of plant origin made available on the market shall be certified on the basis of tests performed by an accredited laboratory, if phytosanitary products and/or fertilisers were used in the process of production, transportation or storage of such raw materials, food and feed (for background, see “—*Fertilisers and phytosanitary products*”).

The Food Safety Agency monitors and verifies compliance with the related legislation requirements throughout the food chain. To this end, the Food Safety Agency carries out inspections and other activities, including communication to the public of the safety and risks of the food products, and other monitoring activities covering all stages of the food chain. The enforcing authorities carry out their duties at a high level of transparency. This means that the civil society has access to:

- information on the performed inspections and their effectiveness;
- information on food products or feed that may present risks to human or animal health, the type of risks and the measures taken or to be taken to prevent, mitigate or eliminate the risks.

However, enforcing authorities must not disclose confidential information (related to the production, technology, administration, financial activity and other activity of the Group), where disclosure may harm the Group's interests.

The relevant authorities have vast powers to monitor compliance with relevant legislation. For example, an inspector can interview the FO and its staff, examine facilities, equipment, locations, including adjacent territories, offices, means of transportation of primary producers, as well as food and feed, raw material, ingredients, semi-finished products; materials

and contact articles thereof; cleaning and maintenance products and procedures, pesticides, labelling and advertising; and hygiene conditions.

The frequency of the inspections is contingent on the FO's history as well as inherent risks. The inspections are normally conducted without prior notice. The immediate outcome of the inspections are the inspector's reports, which shall include the purpose of the inspection, the inspection methods applied, the results and, where appropriate, the remedy measures to be carried out by the FO. Hindrance to official inspections is subject to an administrative fine; while the inspection report may be challenged in the administrative litigation procedure.

A number of fines for failing to comply with the relevant legislation may apply to the FO. For instance, using expired raw material in the process of producing food products is subject to criminal and administrative fines ranging between 240 and 11000 conventional units (1 conventional unit is equal to ca. 2,40 Euros) and deprivation of the right to carry out certain activities for a period between 3 months to 1 year, or for a period of up to 5 years (in criminal cases) and in certain cases in forced liquidation of an offender. Additionally, the Public Health Agency has competency to impose the following administrative fines for failure to comply, *inter alia*, with:

- sanitary regulations on selling food – 90 to 120 conventional units;
- inspection prescriptions on sanitary regulations – 150 to 240 conventional units;
- hiring requirements regarding medical examinations and hygiene training – 120 to 150 conventional units;
- safety rules on producing, placing on the market or selling food products found to be harmful to the life and health of consumers – 75 to 500 conventional units, with depriving, in all cases, from the right to carry out certain activities for 3 months to one year;
- requirements regarding the indication of the producing date and durability, or if the FO commercialises expired products – 75 to 500 conventional units, with depriving, in all cases, from the right to carry out certain activities for 3 months to one year;
- information rules on the characteristics of food products (qualitative indices, product properties and rules of use) – 90 to 120 conventional units.

Fire safety

Prescriptive standards in this field provide fire precautions and fire safety management rules to correspond to the fire hazard of each business. Main pieces of legislation include the Law on Fire Protection No. 267 dated 9 November 1994, and the Technical Provisions “General Rules for Fire Protection in the Republic of Moldova” approved by the Government Resolution No. 847 dated 7 December 2022.

Rules that are applicable to all entities, are to: (i) establish and arrange special places for smoking; (ii) establish places for, and the admissible quantity of raw materials, semi-finished products and finished products that are kept together in the rooms; (iii) determine ways of removing dust and combustible waste and keeping work clothing impregnated with oil; (iv) determine ways of disconnecting electrical equipment in the event of fire and at the end of the working day; (v) regulate the execution of temporary works with fire and other fire-danger works, methods of controlling and closing the rooms after work is finished, the actions employees are to take in case of fire; (vi) determine the method and the timeframe for holding fire safety instructions, as well as to designate responsible persons to this end. In addition, in all production, administrative, storage and ancillary premises, there must be displayed tables, in visible places, showing the fire and rescue service telephone number. Further prescriptive standards are designed to be flexible, so as to tailor individually-approached fire safety management to suit certain factors or conditions, as prescribed by the law.

Responsibility for monitoring compliance with the fire legislation rests with the manager. Thus, the manager is required, *inter alia*, to: (i) follow a training course in fire protection organised by relevant authorities; (ii) elaborate organisational, technical and engineering measures for fire protection and ensure their realisation; (iii) allocate resources for the maintenance and development of the internal rescue and fire service; (iv) maintain automatic fire prevention systems, fire intervention techniques, fire extinguishing equipment, and not allow their use for purposes other than those intended; (v) ensure that employees are informed on the fire protection rules and encourage them to prevent and extinguish fire; etc. Likewise, employees bear a number of obligations, particularly to enrol in a fire protection training prior to commencing work activities, and when switching to different types of work, to follow additional fire prevention courses.

Entities are required to draw up a contingency plan focusing on fire prevention and outlining a course of actions in case of fire so as to ensure safety of all at risk. Additionally, fire legislation requires that equipment and systems be cyclically maintained (monthly, half-yearly, yearly, or in particular instances as internally regulated) and that results of these be registered in up-to-date documents. The rooms, buildings and the installations of all entities shall have first intervention means in case of fire hazard (e.g. ventilation systems, wet and dry sprinkler systems, sprinkler pumps, indoor/outdoor hydrants, hydraulic pumps, and fire alarms). No first intervention means shall be used without the corresponding conformity certificates. Also, the Group must obtain a fire protection permit on the conduct of certain types of activities (oil extraction factories).

The enforcing authorities are the Civil Protection and Emergency Situations Service and the Agency for Technical Supervision. These will have, *inter alia*, the power to conduct inspections to check compliance with fire legislation. Administrative fines ranging between 250 and 300 conventional units may be applied in case of failure to comply with certain fire safety standards; *inter alia*, failure to display, in visible places, an evacuation plan in case of fire; failure to provide employees with instructions on fire protection measures; blocking access routes to the facility, escape routes and exits, access to firewalls, fire extinguishing techniques and first-aid means. Also, in some cases failure to comply with the fire safety standards may result in the partial or full suspension of the activity of an entity.

Health and safety

The Law on Workplace Security and Health No. 186 dated 10 July 2008, and the Governmental Resolution No. 95 dated 5 February 2009 on the Implementation of the Law on Workplace Security and Health No. 186 dated 10 July 2008 constitute the main pieces of legislation in the area. They require that the Group, in its employer capacity, must carry out specific protection and prevention rules set forth in related legislation by:

- designating one or more internal health and safety officers (employees) – the employer is required to establish their protective and preventive duties and furnish appropriate resources. The internal health and safety officers must meet the minimum training requirements. If the resources of the respective unit are not sufficient for organising protection and prevention activities due to lack of health and safety officers, the employer is obliged to externalise this prevention and protection services in the manner set forth by law;
- ensuring the necessary measures for providing first help urgent care, fire extinguishing or evacuation procedures in case of an immediate and serious danger. Again, if not possible the respective unit shall ensure setting up contacts with external prevention and protection services;
- the employer shall be at all times responsible for the activities undertaken in the area of prevention and protection services; it shall not be exempted from responsibility even if delegating duties to external providers.

Employers must carry out a risk assessment by which to determine the extent of the work conditions' deviation, if any, from the ideal state. Health and safety provisions require that employers inform employees of (i) the occupational risks, as well as protective and preventive activities and measures, both at the general - unit and particular - workplace levels; and (ii) the measures undertaken in the area of prevention and protection services. This can be done by handing out information leaflets punctuating clear and precise instructions. Employers shall also monitor work accidents resulting in greater than three days' work incapacity, highlight risk zones, consult with employees on a number of issues etc. Employees involved in the production and distribution of food products are subject to prior medical examinations, failure to do so results in employees being subject to an administrative fine (see “—*Sanitary control and supervision*”). Thereafter, they shall undergo periodic medical examinations to ascertain essential medical conditions are met. Administrative fines, ranging between 250 and 300 conventional units, may be charged for the failure to comply with the obligation to, *inter alia*, provide free protective equipment and ensure permanent and proper functioning of protection systems and devices; create and maintain hygienic and sanitary work conditions; and carry out the risk assessment.

State control over the application by employers of the laws and secondary normative acts on occupational safety and health is exercised by the State Labor Inspectorate. Notably, if an employee's work capacity has diminished in the aftermath of a workplace accident or illness, the employer must perform a one-single indemnification calculated on the average monthly salary per country for each per cent. of work capacity loss, but no less than one year wage of the injured. This single allowance is complimentary to indemnification and is due, aside from workplace accidents or illnesses, in case of workplace fatalities. Thus, in the event of fatalities in the aftermath of a workplace accident or illness, the single allowance is calculated by multiplying the average annual salary of the deceased with the number of full years the deceased did not

live up to the age of 62, but the single allowance shall be no less than 10 annual average wages. In the case of shared responsibility for the workplace accident or illness, the amount of the single indemnification is proportionally reduced.

Pricing regulations

The Law on Internal Trade No. 231 dated 23 September 2010, and the Government Resolution on Marketing Prices for Socially Important Products No. 774 dated 20 June 2016 constitute the main pieces of legislation in the area. They require that food products shall be sold at free sale prices, except for the socially important products (i.e. of first need, among which is sunflower oil) in which case the profitability margin is limited through legislation. Thus, socially important products:

- not processed by FO – are marketed at the purchase (or delivery) price with the application of a margin not exceeding 20 per cent., except for bread, for which margin shall not exceed 10 per cent;
- processed by FO – are marketed at the purchase (or delivery) price with the application of a margin not exceeding 40 per cent.

Price discounts can be negotiated, including in the case of socially important goods, if this does not amount to an anticompetitive agreement, decision of a company association or concerted practice purported to prevent, restrict or distort the competition on the market of Moldova or part of it. There is no pre-set limit value for discount promotions. Any discount value agreed between the contractual parties is legal, so long as it is determined in the process of free and fair competition; that is, based on demand and supply. All price indications must include VAT and all additional charges, be clearly and prominently displayed as well as be easily discernible.

Current legislation does not allow suppliers and food traders to include direct or indirect limitations on the purchase or sale of products or services from or to a third party.

The use of predatory practices is also prohibited, whereby prices are strategically set at a very low bar intending to eliminate competitors from the market. It is forbidden to use a dominant position on the market in ways that may affect competition or harm the collective interests of consumers, particularly by imposing, directly or indirectly, unfair (excessively high or low) selling/purchase prices to eliminate competitors (see “*Moldovan antimonopoly regulations*”).

In what concerns price regulations for cereal storage services, fees are determined in accordance with the type of stored cereals, requests of additional storage services, and with other terms and conditions of the deposit agreement. For pre-paid storage services, the negotiated period will not exceed 12 months. If the storage period exceeds this term, the customer shall pay according to the tariff applied by the service provider at the date of the return of the cereals. Cash payment is the ordinary payment method; alternatively, the contractual parties may opt for payment in cereals.

Moldovan laws on land lease and ownership

After its independence from the Soviet Union in 1991, Moldova launched a massive privatisation and de-collectivisation campaign. Real estate and related property rights have since been registered in a nationwide unified cadastral system. As a result of the campaign, hundreds of thousands of individuals became owners of relatively small plots of agricultural land, 1.6 hectares on average.

This makes large parts of Moldovan land suitable for high-technology farming, but only upon securing the consents of all relevant landowners. Individually, many land plots are too small (1 hectare being 0.01 km²); and, given this fragmentation, taking on a lease in an integral area of a few thousand hectares often requires numerous agricultural lease agreements being signed.

The Civil Code No. 1107 dated 6 June 2002 (restated and republished in 2019) includes a distinct chapter on land lease. The agricultural lease agreement may be concluded on the parties’ negotiation or auction, shall be in written form (under the sanction of invalidity), and shall be registered in the City Hall Registry of Agricultural Leases if the lease agreement is concluded for a term not exceeding 5 years, or in the State Real Estate Registry if the lease agreement is concluded for a term exceeding 5 years (under the sanction of unenforceability against third parties). The agricultural lease agreement may not be concluded for less than 1 year or for more than 30 years. However, the parties may extend the contract’s term by concluding an additional agreement, which is an integral part of the lease agreement. If the duration of the lease expires and the lessor does not demand the handover of the land plot, moreover, the lessee continues utilising it, the contract shall be deemed prolonged for another year. If the agricultural property is sold after being leased to the lessee, the new owner subrogates into the lessor’s rights and obligations arising from the lease agreement if made effective as against third parties.

The lessor may demand the lease agreement's termination if, *inter alia*, the lessee: (i) has not registered the lease in the State Real Estate Registry; (ii) unjustifiably refuses to take the lease over the agricultural goods stipulated in the agreement; (iii) does not use the land in accordance with its purpose of usage provided in the lease agreement (iv) has aggravated the state of the goods so that it cannot be restored until the expiry of the term of the lease agreement; and (v) entered into a sublease agreement without the consent of the lessor. In the case of termination of the lease agreement before the end of the agricultural year, the lessor shall pay to the lessee the value of the fruits which, although not yet separated, can be separated before the end of the agricultural year under normal husbandry conditions. When compensating the value of the fruits, the debts of the parties at the time of the termination of the lease are also taken into account.

If over half of the harvest is lost, the lessee may demand a proportionate reduction in the rent payment. The right to this reduction applies only until the completion of the harvest.

The right of possession and use of the leased agricultural lands arises as of the signing of the lease agreement but can be exercised only after the signing of the handover protocol, if the parties do not agree otherwise. If the lessor refuses to hand over the leased agricultural lands within 5 business days, the lessee is entitled to (i) demand the transfer of possession of the lands and compensation for damages caused by the delay; or to (ii) request termination of the lease agreement and demand compensation for damages caused by non-fulfilment of the lease agreement.

Only Moldovan nationals and legal entities whose share capital does not contain foreign investments can buy and sell agricultural land. Land is acquired by way of concluding a land acquisition agreement. Notarial authentication of the land sale and purchase agreements is mandatory, except for the sale and purchase contracts of private agricultural land with an area of up to 0.25 hectares allocated to special categories of subjects. The process of acquiring land includes (i) the seller's preparation of the documents confirming the ownership of the land; (ii) the execution of the land sale and purchase agreement; (iii) the notarisation of the land sale and purchase agreement (where applicable); (iv) the buyer's submission of the acquisition agreement to the competent territorial cadastral body. Ownership rights arise at the moment of registration in the Real Estate Registry.

Public land can be acquired at a normative price and the land where there are constructions, engineering installations, annual plantation or other immovable assets can be acquired concomitantly with them. The normative price of the agricultural land shall be calculated on the basis of the average soil fertility rate, which is established for the respective city, village (commune) or, at the request of the owner, according to the soil fertility established for that particular land.

Moldovan antimonopoly regulations

The Competition Law No. 183 dated 11 July 2012 (the "**Competition Law**") - that transposes the European standards from the Articles 101-106 of the Treaty on the Functioning of the European Union, Regulation (EC) No. 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, and Regulation No. 139/2004 on the control of concentrations between undertakings and, in part, the EU Directive 2019/1 of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market - prohibits, in certain circumstances, conduct by one or more undertakings which amounts to an abuse of a dominant position. The prohibition has two common elements: (i) whether an undertaking is dominant in a relevant market; and, if so, (ii) whether it is abusing that dominant position.

On the former element, unless the contrary is proven, when the share of one undertaking or the aggregate shares of two or more undertakings on the relevant market exceeds 50 per cent., it shall be presumed that one or more undertakings are holding a dominant position on a relevant market. The determination of the dominant position shall be made on the basis of the analysis of the Competition Council undertook for a definite period of time. The Competition Council shall also determine the relevant market in this context.

On the later element, generally, any abusive use of the dominant position within the relevant market, to the extent that it may affect the competition or damage the collective interests of the final consumers on the relevant market, shall be prohibited. In particular, the law provides a non-exhaustive list of activities that can be regarded as an abuse of a dominant market position. These are the following activities: (i) direct or indirect imposition of unfair purchase or selling prices, or other unfair trading conditions; (ii) limitation of production, distribution or of technical development to the prejudice of consumers; (iii) application, in the relationship with the trading partners, unequal conditions to equivalent transactions, thereby placing them at a competitive disadvantage; (iv) conditioning the conclusion of contracts subject to acceptance by the partners of supplementary obligations which, by their nature or according to commercial practice, have no connection with the subject-matter of such contracts; (v) charging excessive or predatory prices, with the aim of excluding the

competitors; (vi) refusing without justification to contract with certain providers and/or to supply to certain beneficiaries; and (vii) terminating the commercial relationship established previously on the relevant market for the mere reason that the partner refuses to obey to unjustified commercial conditions.

The above enumerated activities would not be considered abuse of a dominant market position, if the dominant undertaking proves that its activities are justified, being objectively necessary or producing significant efficiency increase, which compensate any anticompetitive effects on the consumers. These activities shall also be indispensable and proportionate in relation to the alleged aim followed by the dominant undertaking.

Conduct which amounts to the abuse of a dominant position is prohibited and the undertaking or undertakings involved may be subject to a financial penalty in an amount of up to five per cent. of the total turnover obtained in the year preceding the sanctioning and/or to directions appropriate to bring the infringement to an end. The law also provides that the punishment of the dominant undertaking by the Competition Council is without prejudice to the third parties right to be indemnified for damages resulting from the abusive activities. The damages can be sought and proved by the third parties through court proceedings. From 18 August 2026, the standard maximum fine will be 8 per cent. of the total turnover of the party obtained in the year prior to the sanctioning, with the possibility to increase it due to aggravating circumstances to a maximum of 10 per cent. of respective total turnover.

The Competition Law also regulates the economic concentrations where:

- the combined aggregate turnover of all the companies concerned is more than MDL 50,000,000 (approx. EUR 2,5 million) in the previous year; and
- there are at least two companies involved in the economic concentration which had separately a turnover greater than MDL 20,000,000 (approx. EUR 1 million) in the previous year.

If a transaction meets the legal thresholds, and involve a change of control over the target(s) or the set-up of a joint venture, then a notification with the Competition Council shall be filed, before the implementation of such transaction. Implementation of the transaction means the conclusion of the agreement, the announcement of the public bid or the acquisition of a controlling interest.

Following the notification, the Competition Council may carry out an examination of the proposed economic concentration. Concentrations shall be declared incompatible with the competitive environment in case they raise significant barriers for the effective competition on the market or on a substantial part of it, in particular as a result of the creation or enhancement of a dominant position. However, a concentration which does not raise significant barriers for the effective competition on the market or on a substantial part of it, in particular as a result of the creation or enhancement of a dominant position, shall be cleared (i.e. declared compatible with the competitive environment). The authority may also provide conditional clearance, whereby parties may implement the proposed transaction under certain conditions offered by the parties, so that the proposed transaction would become compatible with competition environment.

If an economic concentration is implemented and the Competition Council establishes that it is incompatible with the competitive environment it may: (i) require the undertakings concerned to dissolve the concentration, in particular through the dissolution of the merger or the disposal of all the shares or assets acquired, so as to restore the situation prevailing prior to the implementation of the concentration; or (ii) initiate a lawsuit on the dissolution of the concentration. Failure to notify the economic concentrations may result in the Competition Council opening an investigation on its own initiative. This can be triggered by its market intelligence function or because of a third-party complaint. The Competition Council may fine a party (in an amount of up to ten per cent. of the total turnover obtained in the year preceding the sanctioning) if it fails, either intentionally or negligently, to comply with the legal requirements. Among other things, failure to produce documents and other evidence is also sanctionable.

Also, the Competition Law prohibits undertakings that distort competition by cooperating with competitors. Anti-competitive agreements can be open or secret (e.g. cartels). They may be written (either as an “agreement between companies” or as decisions or rules of professional associations) or be less formal arrangements.

Agreements are almost always illegal, and thus null and void, if the participants agree to: (i) fix product prices for third parties, (ii) limit production or sales, (iii) share markets or consumers, and (iv) participate with fake offers in auctions or other forms of contests.

The law provides that anti-competitive agreements may be allowed under certain conditions. Also, agreements concluded between dependent undertakings, i.e. undertakings which are part of the same group of undertakings or which are controlled by the same person or persons, shall not qualify as anticompetitive agreements.

Failure to comply with the legal requirements on anti-competitive agreements may result in the Competition Council imposing a fine (in an amount of up to ten per cent. from the total turnover obtained in the year preceding the sanctioning) and third-party indemnifications.

Ukraine

Ukraine's policy in the agricultural sector

In 2015, Ukraine's Parliament adopted the Law of Ukraine "On Amendments to Certain Ukrainian Legislation Related to Deregulation in Agribusiness" (the "**Deregulation Law**"), which was further amended and supplemented in October 2021. The Deregulation Law introduced, among other things, the cancellation of 22 out of 110 approval procedures in the fields of crop production, livestock breeding, fisheries, pesticides, agrochemicals (fertilizers), food production, and environmental management. It also limited the powers of authorities to conduct state control in Ukraine's agricultural sector.

Since 2015, Ukraine adopted a number of state programs for the development of agriculture. The implementation of these programmes was interrupted by the Russian military aggression against Ukraine in February 2022. However, during the wartime, Ukraine launched various initiatives to support the agricultural sector.

Thus, in July 2022, the National Council for Recovery of Ukraine from the Consequences of War developed the draft Ukraine Recovery Plan, which included recommendations prepared by the Working Group "New Agrarian Policy" (the "**New Agrarian Policy**"). These recommendations outlined legislative priorities up to 2032 and described the most significant challenges for the Ukraine's agricultural sector such as the escalation and spread of hostilities, further destruction of supply chains, limited access to financing, and bankruptcy of a significant number of agricultural enterprises.

In August 2022, the Ministry of Agrarian Policy and Food of Ukraine (the "**Agrarian Ministry**") launched the State Agrarian Registry, an online platform developed with support from the European Union and the World Bank. The platform aims to transparently and effectively administer all types of support for Ukrainian farmers. Agricultural producers can register in the Agrarian Registry and apply for state subsidies, targeted loan programs, as well as technical assistance from the European Union and other international donors.

In May 2023, to address the impact of war, the Ukrainian Parliament enacted amendments to the Tax Code of Ukraine and other related legislative acts, exempting farmers and landowners from the payment of taxes on the land plots which were mined, polluted, occupied, or otherwise adversely affected by the military actions.

In June 2024, the Ukrainian Government resumed medium-term budget planning and adopted Resolution No. 751 "On Approval of the Budget Declaration for 2025-2027" (the "**Budget Declaration**"). Among other provisions, the Budget Declaration provided for the state support for agricultural producers. Further, the draft state budget for 2025, approved by the Ukrainian Government, also allocated funds for various types of support for agricultural producers, including partial compensation of the construction of grain storage facilities and processing enterprises, compensation of agricultural machinery purchases, certification of agricultural products, and sea transportation costs during wartime.

Simultaneously, the Agrarian Ministry presented a draft Strategy for the Development of Agriculture and Rural Areas in Ukraine until 2030 (the "**Strategy**"). The Strategy is focused on aligning Ukrainian agriculture and rural development with EU standards to facilitate market integration and foster the development of a competitive and sustainable agricultural sector. It also addresses food security threats, logistics disruptions and environmental damage due to the ongoing Russian military aggression. The Strategy is expected to be adopted by the end of 2024.

Ukraine continues to receive significant financial support for its agricultural sector from international partners and financial institutions. Notably, USAID provides various initiatives to support Ukraine during the ongoing war, including the Economic Support of Ukraine program, which assists Ukrainian agricultural companies. Under this program, micro, small, and medium-sized enterprises with an annual income not exceeding the equivalent of EUR 40 million can purchase grain processing equipment from designated Ukrainian manufacturers at a 70 per cent. discount, with USAID covering 30 per cent. of the cost.

Imports and Exports

To support Ukrainian exporters during the Russian military aggression against Ukraine, the EU has temporarily lifted trade restrictions on Ukrainian goods. As of 4 June 2022, the EU suspended tariff quotas for agricultural products, antidumping duties, the entry price system for fruits and vegetables, import duties on industrial products, and global safeguard measures against Ukrainian goods. Initially, these new rules were set for a one-year period. However, the European Commission approved an extension of the above measures until June 2025 provided that “precautionary measures” - the prompt restoration of tariff quotas will be implemented, if the import of seven Ukrainian goods (corn, poultry, sugar, oats, eggs, honey and cereals) exceeds the limit. The EU and Ukraine are expected to update the Association Agreement and establish the terms and conditions for trade by June 2025.

As part of the ongoing efforts to synchronize with EU customs regulations, the Ukrainian Parliament approved the draft amendments to the Customs Code of Ukraine on implementation of certain provisions of the EU Customs Code, including updates to customs regimes, temporary admission, processing within the customs territory, and processing outside the customs territory.

The Russian military aggression against Ukraine, in particular blocking Ukrainian ports in the Black and Azov Seas, has significantly reduced Ukraine’s export capacity. Between July 2022 and July 2023 an agreement known as the “Black Sea Grain Initiative” was achieved among the United Nations, Türkiye, and Russia to allow exports via a safe humanitarian maritime corridor in the Black Sea. However, on 17 July 2023 Russia announced its withdrawal from the agreement. Following Russia’s withdrawal, Ukraine has developed alternative logistics routes, including the so-called “maritime or grain corridor” in the Black Sea, as well as routes along Danube, which have proven to be the most effective. Ukrainian producers primarily rely on exports via the Danube from the ports of Izmail and Reni. However, challenges remain, in particular those associated with the depth of the Danube ports, which limit the loading capacity of larger ships. To address this issue, Ukraine, with the support of the European Commission, is implementing the “anchorage” project, enabling ships to transport cargo along the Danube.

Sanitary Control and Supervision

The State Service on Safety of Food Products and Consumer Protection (the “**State Food Safety Service**”) and its local bodies are authorized to exercise state control and supervision over the safety and certain quality indicators of plant-based foods, storage facilities, and transportation. Officials from the State Food Safety Service monitor compliance with applicable sanitary standards for the production, storage, and transportation of vegetable oil. The Service is also authorized to conduct scheduled and unscheduled inspections, with the frequency of such inspections determined based on market analysis results. According to Cabinet of Ministers Resolution No. 303 dated 13 March 2022, “On Termination of Measures of State Supervision (Control) and State Market Supervision Under Martial Law,” scheduled and unscheduled inspections have been suspended during the martial law. However, unscheduled inspections may be still allowed be conducted, based on decisions of the relevant authorities, if there are risks to public health, legitimate interests, life, environment, or national security.

Fire Safety

Under Ukrainian law, before a legal entity is able to put into operation a new enterprise or real estate, it must submit to the relevant authorities a declaration on compliance of these facilities with the fire safety laws. A failure and/or non-refusal by the relevant authorities to register the declaration within the statutory period is deemed to be an admission to operate a new enterprise or real estate. High-risk legal entities must additionally submit an expert opinion on the fire safety condition of the facilities.

Due to the Russian military aggression and ongoing Russian attacks on energy infrastructure, Ukrainian businesses, including agrarian exporters, have increasingly relied on power generators. In response, the Ministry of Internal Affairs of Ukraine introduced amendments to the Fire Safety Rules regarding the use of power-generating equipment, in particular prohibited the use of such equipment inside industrial and public buildings (including rooftops, balconies, and annexes), warehouses, and along evacuation routes. Additionally, fuel for power generators may not be stored inside enterprise premises, small architectural business structures, or buildings, with certain exceptions applicable only during martial law or emergency situations.

Environmental control

Under applicable Ukrainian law, sunflower oil producing facilities, silos and transportation of grain may be considered to

pose increased environmental hazards. As such, construction, extension, reconstruction, redevelopment, upgrading, and/or demolition of the producing facilities posing increased environmental hazards may be subject to mandatory state ecological examinations, requiring pre-project documentation and documentation on the installation of new machinery or the introduction of new technologies to be submitted to the state for review. To compensate for the pollution, the environmental tax was enacted in Ukraine in 2011. Based on, among other things, the amounts of pollutants, a taxpayer is required to pay on a quarterly basis an ecology tax calculated separately for each pollutant. Since January 2024, environmental tax rates for certain pollutants have been further increased.

Following the Russian full-scale military aggression, several amendments have been introduced to the Law of Ukraine “On Land Protection” dated 19 June 2003 (the “**Land Protection Law**”). These amendments address issues specific to martial law. For instance, the Land Protection Law provides for the conservation of land plots contaminated by chemical substances due to military aggression or hostilities, as well as land plots occupied by military engineering and fortification structures.

Despite the ongoing war, Ukraine’s environmental legislation continues to evolve. The Law of Ukraine “On Waste Management” dated 20 June 2022 (the “**Waste Management Law**”), introduced modern European approaches to waste management and includes financial incentives to increase waste processing and reuse. The law also establishes extended producer responsibility for certain types of waste and strengthens control over hazardous waste management.

MANAGEMENT

Board of Directors

As of the date of this Information Memorandum, the Group's Board of Directors consists of the following members:

Name	Year of Birth	Citizenship	Position
Vaja Jhashi	1966	American and Moldovan	Chairman of the Board of Directors, Chief Executive Officer
Tommy Gade Jensen	1961	Danish	Non-Executive Director
Asif Javed Chaudhry	1956	American and Pakistani	Independent Director
Cem Osmanoğlu.....	1963	Turkish and French	Independent Director
Alain Stephane Robert Dorthe	1950	Swiss	Independent Director

Vaja Jhashi

Vaja Jhashi is the Chairman of the Board of Directors and is also the Group's Chief Executive Officer. Mr. Jhashi is the founder of the Group and owns 87.5 per cent. of the Parent's ordinary shares. Mr. Jhashi has vast expertise in the agricultural sector having started work in an agricultural business in 1994. Mr. Jhashi graduated from Moscow State University in 1991 and Cairo University in 1992. He also obtained an MBA degree from Indiana University in 1993.

Tommy Gade Jensen

Tommy Gade Jensen is a Non-Executive Director. He is a Senior Advisor to Oaktree Principal Advisors (Europe) Limited with responsibility for the Agri & Food sector. He served as CEO of Bunge EMEA from 2012 to 2017 and held various senior management positions at Bunge since 2003. Mr. Jensen graduated from Aarhus University with a degree in finance and has completed the Advanced Management Program at Harvard University.

Asif Javed Chaudhry

Asif Javed Chaudhry is an Independent Director. He also serves as Vice-President for International Programs at Washington State University, a position he has held since 2015. Mr. Chaudhry was the U.S. Ambassador in Moldova from 2008 until 2011 and was Vice-President of the Commodity Credit Corporation of U.S. Foreign Agriculture Service from 2006 until 2008. Mr. Chaudhry received his master's degree in economics from the American University of Beirut and obtained a PhD degree in agricultural economics from Washington State University in 1987.

Cem Osmanoğlu

Cem Osmanoğlu is an Independent Director. Mr. Osmanoglu has more than 30 years of banking experience. Mr. Osmanoğlu has also been an independent financial consultant since 2012. From 1999 until 2012 he served as Head of the Trade Finance Department at BCP Banque de Commerce et de Placements. Mr. Osmanoğlu graduated from the University of Montpellier in 1987 majoring in business and social administration and international relations.

Alain Stephane Robert Dorthe

Alain Stephane Robert Dorthe is an Independent Director. Mr. Dorthe has more than 48 years of banking experience. Mr. Dorthe also serves as First Vice-President and Head of the Credit Department at BCP Banque de Commerce et de Placements, a position he has held since 1997. From 1990 until 1997 he was Head of Internal Audit and Senior Vice-President at Discount Bank & Trust Company, and from 1988 until 1990 he was Credit Director at UBS Zurich.

The business address of the Parent's directors is Menandrou, 4, GALA TOWER, 2nd Floor, 1066, Nicosia, Cyprus.

For the details on the composition, powers and meetings of the Board of Directors, see "Corporate Governance—Board of Directors" below.

Senior Management

As of the date of this Information Memorandum, the Group's senior management is as follows:

Name	Year of Birth	Position
Vaja Jhashi	1966	Chief Executive Officer
Thierry Beaupied.....	1966	Chief Operating Officer
Evgeniya Ursu	1979	Chief of Treasury and Finance
Robert Monyak.....		Deputy Chief Executive Officer, Head of Corporate Strategy
Radu Musinschi.....	1964	Regional Director for Romania and Balkans
Oleg Lupasco	1972	Head of Corporate Finance
Daniel Ruiz.....	1980	Head of Global Funding and Business Development Solutions
Procop Buruiana.....	1973	Group Head of Legal
Alex Hanson.....	1970	Chief Risk Officer
Stela Ostrovetchi	1964	Head of Oil Refinery Operations in Moldova
Sinisa Kosutic.....	1967	Head of VictoriaOil Refinery
	1978	

Vaja Jhashi

Vaja Jhashi is the Chief Executive Officer. The information on Mr. Jhashi is provided in “—*Board of Directors*” above.

Thierry Beaupied

Thierry Beaupied has been the Group’s Chief Operating Officer since 2003. Mr. Beaupied has more than 30 years of industry experience. Before joining the Group, he served as a trader at Plantureaux SA, Lesieur Group and the Louis Dreyfus Company. Mr. Beaupied graduated from the Maritime College of La Rochelle in 1982.

Evgeniya Ursu

Evgeniya Ursu has been the Group’s Chief of Treasury and Finance since 2008. She has served the Group since 2000. Ms. Ursu has more than 20 years of industry experience. Ms. Ursu graduated from London Metropolitan University in 2005 majoring in Business law. She also has a master’s degree from the European Institute of International Relations at Moscow State University in marketing and PR which she obtained in 2008, and an MBA degree from the University of Chicago Booth School of Business which she obtained in 2013.

Robert Monyak

Robert Monyak was appointed Deputy Chief Executive Officer, Head of Corporate Strategy in 2023. Prior to joining the Group Mr. Monyak was executive vice president and chief lending officer at WorldBusiness Capital and has in excess of 25 years’ finance experience. Mr. Monyak obtained a BA degree from Duke University in Political Science and Russian, and a master’s degree in Political Science from Columbia University in 1989.

Radu Musinschi

Radu Musinschi was appointed as the Group’s Country Director of Romania in September 2014 with the responsibilities of overall line management, business development and P&L accountability. In 2020, he was mandated to manage the expansion of the Group in the Balkans under his new role as Regional Director for Romania and Balkans. Mr. Musinschi began his career in 2004, and has held a number of different roles and positions within Raiffeisen Group in Romania and Moldova, with assignments in Romania, Austria and Poland. Prior to joining the Group, he was head of acquisition/LBOs and project finance at Raiffeisen Bank Romania for seven years. Mr. Musinschi has over eight years of industry experience and in excess of 20 years’ experience in investment (M&A) and commercial banking, and management consulting, with particular experience in corporate finance, capital raising, project and acquisition finance. Mr. Musinschi majored in physics at the Moldova State University and also earned a MA in international relations from the National School of Political and Administrative Studies in Bucharest, Romania in 1995, and an MBA degree from the Judge Business School at the University of Cambridge, UK in 2003.

Oleg Lupasco

Oleg Lupasco has been the Group’s Head of Corporate Finance since 2016. He has served the Group since 2012. Mr. Lupasco has more than eight years of industry experience and over 13 years of experience in finance. Before joining the

Group, he served as a finance director in the media industry. Mr. Lupasco graduated from the University of Leicester in 2007, majoring in finance. He also has an MBA degree from the University of Chicago Booth School of Business which he was awarded in 2017.

Daniel Ruiz

Daniel Ruiz joined the Group on 1 June 2019 as the Head of Global Funding and Business Development Solutions. Mr Ruiz has a long track-record in trade finance transactions and has been working with major banks for in excess of 20 years. The majority of his experience was gained while working for BCGEe, BNP Paribas, and Societe Générale. Mr. Ruiz graduated from the University of Geneva in 1997.

Procop Buruiana

Procop Buruiana has been the Group's Head of Legal since 2023. Mr. Buruiana has more than 19 years of extensive legal experience advising on finance transactions, M&A, insolvency and corporate transactions. Before joining the Group, he was a senior associate with international law firms Dentons and White & Case LLP and served as director of legal (supervisor) of Group Large Corporate at BCR (Erste Group). Mr. Buruiana holds an LLM and JD from Washington University in St. Louis, USA, an LLM degree from the University of Warwick, and an LLB degree from Babes-Bolyai University in Romania.

Alex Hanson

Alex Hanson has been the Group's Chief Risk Officer since 1 March 2020. Mr. Hanson has more than 30 years of industry experience and over 18 years of experience in risk management. Before joining the Group, he served as Risk Director at CHS International, a global agribusiness owned by farmers across the United States, for more than seven years, and carried out business risk consulting. Mr. Hanson graduated from Kingston Polytechnic in 1986 with a BSc. (First Class Honours Degree) in applied chemistry.

Stela Ostrovetchi

Stela Ostrovetchi is Head of Oil Refinery operations in Moldova. Mrs. Ostrovetchi joined the Group in 1990 and has more than 30 years of industry experience. Mrs. Ostrovetchi graduated from the Balti State University with a degree in technical disciplines and the Academy of Economic Studies in Moldova.

Sinisa Kosutic

Sinisa Kosutic is the head of VictoriaOil, which he joined in 2010. Before joining VictoriaOil, he worked in banking, most notably in Credit Agricole and Komercijalna bank in Serbia. Mr. Kosutic graduated from the University of Belgrade with a degree in economics.

Corporate Governance

In June 2017, the Group appointed the IFC to advise on the establishment of corporate governance policies and procedures, including the establishment of a Board of Directors and the Audit Committee, and all relevant corporate documents. On 15 May 2018, Vaja Jhashi, the Parent's sole holder of 100 per cent. of the ordinary shares at that time and then the sole director, appointed the other directors to the Board of Directors. In June 2018, the Board of Directors approved its by-laws regulating the composition and structure, duties and powers, meetings and decision-making process of the Board of Directors. The Group has established an Audit Committee, which has been approved by the Board of Directors and is constituted by two directors, all of whom are independent. A Corporate Secretary position has also been formally established. The Board of Directors has elected to postpone the establishment of the nomination and remuneration committee.

Board of Directors

Composition and Structure

Under the by-laws of the Board of Directors, the Board of Directors shall have a minimum of five members and a maximum of nine members. No less than one-third of the Board of Directors shall be independent directors. Members of the Board of Directors shall be elected by the Parent's general meeting of shareholders. No member may be elected to the Board of Directors for more than three-year terms.

The Board of Directors shall elect a Chairman and a Vice-Chairman from its members. The Board of Directors may establish committees consisting of its members. The Board of Directors has established the Audit Committee.

Duties and Powers

The Board of Directors:

- oversees the general business of the Parent and its subsidiaries and supervises and advises the management team;
- supervises the Parent's financial reporting, including compliance with procedures established by the management team for the preparation and publication of the annual reports, annual accounts, quarterly (if any) or semi-annual financial reports and other financial information;
- supervises internal control mechanics for external financial reporting as required by Cyprus Company Law (Cap. 113);
- reviews, on an ongoing basis, the Parent's strategy and business risks;
- nominates candidates for the positions of an external auditor and members of the management team;
- approves the allocation of duties of the management team to individual members of the management team;
- approves all material transactions between the Parent and persons holding at least 10 per cent. interest in the Parent;
- approves operational and financial aims of the Parent, the strategy designed to achieve the aims, and any parameters to be used in relation to the strategy;
- approves all material transactions where there are conflicts of interest involving the management team or Board of Directors' members;
- approves appointment and removal of the Company Secretary;
- approves the compensation policy for senior management team in general;
- approves the annual capital investment budget, major acquisitions and disposals of business activities;
- approves all financial statements before publication; and
- approves all other acts that require an approval and takes other action as required by law, the Parent's articles of association, by-laws of the management team or the Board of Directors.

Meetings and Decision-Making

The Board of Directors shall meet as often as necessary and at least once every quarter of each financial year. A Board of Directors member may be represented at the Board of Directors meetings by another Board of Directors member holding a proxy in writing. The Board of Directors meetings are presided over by the Chairman of the Board of Directors or, in his absence, the Vice-Chairman. If both are absent, one of the other Board of Directors members, designated by the majority vote of the Board of Directors members present at the meeting, shall preside.

Each member of the Board of Directors has the right to cast one vote. Where unanimity cannot be reached and the law, the Parent's articles of association, the Oaktree Shareholders' Agreement or the by-laws on the Board of Directors do not prescribe a larger majority, all resolutions of the Board of Directors are adopted by a majority of the votes cast. In the event of a tie, the Chairman of the Board of Directors has the deciding vote. At a meeting, the Board of Directors may only pass resolutions if the majority of the Board of Directors members are present or represented. In instances, foreseen by the Oaktree Shareholders' Agreement, the quorum shall be the majority of the Board of Directors members and must include an independent director.

Resolutions of the Board of Directors are adopted at a Board of Directors meeting and may also be adopted in writing, provided the proposal concerned is submitted to all Board of Directors members and none of them objects to this form of adoption.

Director Removal

The Parent may, by ordinary resolution of the shareholders of which special notice has been given in accordance with Section 136 of the Cyprus Companies Law, remove any director before the expiration of his period of office notwithstanding anything in the articles of association or in any agreement between the Parent and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Parent.

The office of director shall be vacated if the director:

- ceases to be a director by virtue of Section 176 of the Cyprus Companies Law (directors' duty to hold a specified shareholding qualification); or
- becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- becomes prohibited from being a director by reason of any order made under section 180 of the Cyprus Companies Law (disqualification from holding the position of director on the basis of fraudulent or other conduct); or
- becomes of unsound mind; or
- resigns his office by advance notice in writing to the Parent.

Audit Committee

The primary duties of the Audit Committee are to assist the Board of Directors in:

- fulfilling its oversight of the integrity of the financial statements of the Parent and its consolidated subsidiaries and any formal announcements relating to the Parent's financial performance;
- reviewing the Parent's internal financial controls, internal control and risk management systems, upon the establishment of respective systems;
- monitoring and reviewing the effectiveness of the Parent's internal audit function, upon its establishment;
- recommending to the Board of Directors that an external auditor be appointed by the shareholders, and approving the remuneration and terms of engagement of the external auditor;
- monitoring and reviewing the external auditors' independence and objectivity and the effectiveness of the audit process; and
- developing and implementing a policy with respect to the engagement of the external auditor to provide non-audit services.

The members of the Audit Committee include Cem Osmanoglu and Alain Stephane Robert Dorthe (Chairman of the Committee), all of whom are Independent Directors.

Corporate Governance Regulation

Although the Parent is incorporated in Cyprus, because its shares are not listed on the Cyprus Stock Exchange, it is not required to comply with the Code of Corporate Governance of the Cyprus Stock Exchange. In addition, notwithstanding that a substantial majority of the Group's operations are conducted in Moldova, because the Parent is a Cypriot company, it is not subject to corporate governance standards applicable to Moldovan companies, except in so far as its Moldovan incorporated subsidiaries are required to comply with the corporate governance requirements provided by Moldovan company law.

Conflicts of Interest

A director who is in any way directly or indirectly interested in a contract or proposed contract with the Parent shall declare the nature of his interest at a meeting of the directors in accordance with Section 191 of the Cypriot Companies Law.

As at the date of this Information Memorandum, neither the Parent nor any of the Guarantors is aware of any potential conflict of interests between the duties their directors owe, on the one hand, and their private interests or the duties owed by any of them to any other person, on the other.

SHARE CAPITAL AND DIVIDENDS

Shareholders

As at the date of this Information Memorandum, the issued share capital of the Parent is €12,572 divided into 12,572 ordinary shares of EUR 1.00 each. On 18 June 2019, funds managed by Oaktree Capital Management LP, via their vehicle Cooperstown S.à.r.l. (“**Cooperstown**”) acquired a 12.5 per cent. interest in the Parent through a conversion of a loan granted to the Group in 2015 into equity. On 18 June 2020, Mr. Vaja Jhashi and Cooperstown entered into a call option deed with respect to 2.5 per cent. shares in the Parent. Oaktree Capital Management is considering strategic options in relation to its stake in the Parent.

The Parent, Mr. Vaja Jhashi and Oaktree Capital Management are considering strategic options in relation to the equity stakes of Mr. Vaja Jhashi and Oaktree Capital Management in the Parent and discussing with various potential new strategic investors potential sell downs of minority stakes (in case of Mr. Vaja Jhashi) and the full exit from the investment (in case of Oaktree Capital Management), in the Parent. As part of these ongoing discussions, Mr. Vaja Jhashi and the Parent are also negotiating potential equity injections from such strategic investors to support further continued development of the Group.

In general, the Cyprus Companies Law provides that, *inter alia*, the following should be approved by a special resolution of the shareholders:

- change of the articles of association of a company;
- change of the name of a company;
- reduction of the share capital;
- reduction of the share premium account;
- reduction of the capital redemption reserve;
- merger and de-merger;
- buy-back of shares;
- change of the objects of a company;
- change of liability of directors from limited to unlimited; and
- approval by the general meeting of assignment of office by directors.

An ordinary resolution requires a simple majority, which means any majority of more than 50 per cent. of the members with a right to vote and who are present at the general meeting of the shareholders in person or by proxy.

A special resolution requires a majority of at least three-fourths or 75 per cent. of the members with a right to vote and who are present at the general meeting of the shareholders in person or by proxy. In this case the notice of the general meeting of the shareholders must specify that the resolution being proposed is proposed as a special resolution.

Save as disclosed below under “*Oaktree Shareholders’ Agreement*”, there are no other persons who could, directly or indirectly, exercise control over the Parent.

Oaktree Shareholders’ Agreement

On 18 June 2019, the Parent, Mr. Vaja Jhashi and certain other Group entities entered into a subscription agreement (the “**Oaktree Subscription Agreement**”) with Cooperstown, pursuant to which the Parent agreed to issue ordinary shares comprising 12.5 per cent. of its share capital in repayment of the loan to Cooperstown in the amount of approximately €16.6 million as at that date. In connection with this investment, the Parent, Mr. Jhashi and Cooperstown entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) pursuant to which Cooperstown will be entitled to appoint one director to the Board of Directors. Pursuant to this arrangement, Tommy Gade Jensen, an executive with significant experience in the agricultural industry, was appointed to this position. The Shareholders’ Agreement also includes certain other rights for the benefit of Cooperstown, including pre-emptive rights and tag-along rights in the event of a sale of ordinary shares in the Parent by Mr. Jhashi. The Parent is also required to obtain Cooperstown’s prior written consent prior

to taking certain corporate actions, including, among other actions, the issuance of new shares, amendments to the Charter, the declaration of any distribution and arrangements relating to borrowings. Pursuant to the Shareholders' Agreement, the parties have also provided for a put option pursuant to which Cooperstown is entitled to sell ordinary shares acquired by it back to Mr. Jhashi. The put option will terminate upon the occurrence of an initial public offering or a purchase of the entire issued share capital of the Parent.

Dividends

The Parent in a general meeting may declare dividends but no dividend shall exceed the amount recommended by the directors. Dividends can only be paid out of profits.

RELATED PARTY TRANSACTIONS

The following sets forth the Group’s transactions with related parties, as defined in the International Accounting Standard 24 “Related Parties Disclosure”, in accordance with IFRS, for the three years ended 30 June 2024, 2023 and 2022. For further details of these transactions, see note 26 to the Consolidated Financial Statements appearing elsewhere in this Information Memorandum.

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group is ultimately controlled by Mr. Vaja Jhashi.

Senior management

Key management compensation

Key management compensation for the year ended 30 June 2024 amounted to U.S.\$3,542 thousand (30 June 2023: U.S.\$2,587 thousand). Remuneration of the Group's Board of Directors for the year ended 30 June 2024 amounted to U.S.\$330 thousand (30 June 2023: U.S.\$330 thousand).

Loan agreement with the Shareholder

In March 2006, Mr. Vaja Jhashi provided a loan to Visions Holdings SA in the amount of U.S.\$3,500 thousand for the purposes of funding capital expenditures of the Group. Pursuant to further additional agreements and other contracts between Mr. Vaja Jhashi and Visions Holding SA the sum of the loan was increased to U.S.\$14,169 thousand. The interest rate under the agreement is 0 per cent., but it can be increased to 10 per cent. per annum, if the borrower defaults on certain obligations. In February 2018, Visions Holding SA entered into additional agreements with Mr. Vaja Jhashi. Pursuant to the additional agreements claims of Mr. Vaja Jhashi under the loan agreement were ranked junior to all other existing and future claims against the Group. The loan is governed by the laws of Switzerland. As at 30 June 2024, the Group's indebtedness under the facility amounted to U.S.\$21,203 thousand. In March 2020, Mr. Vaja Jhashi and Visions Holding SA entered into an additional agreement which extended the maturity of the loan until 31 December 2027 and subordinated claims under the loan to claims under the Notes.

VictoriaOil

In December 2020, the Group’s shareholders, Vaja Jhashi and Cooperstown, entered into a sale and purchase agreement to buy VictoriaOil. VictoriaOil was controlled by and, for financial reporting purposes, consolidated into the Group in 2021. The shares of VictoriaOil continue to be held by the shareholders of the Group in trust for the benefit of the Group. The Group has begun the process of completing the formal transfer of legal title to such shares from the shareholders to Trezeme Limited (an entity which is a member of the Group). An application will be made to the relevant authorities by 30 November 2024 for the registration of the transfer of the shares and the transfer is expected to be completed by 31 December 2024. Irrespective of the completion of the transfer, VictoriaOil is a Subsidiary of the Group for purposes of the Conditions and will be subject to the restrictions thereunder upon issuance of the Notes (see “—*Terms and Conditions of the Notes*”).

Therefore, the Group identifies this entity as a related party. The Group granted several advances in December 2020, totalling U.S.\$16,343 thousand to purchase available sunflower seed stock at VictoriaOil’s edible oil plant.

Balances with related parties

Balances with related parties are presented in the table below:

	As of 30 June		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Advance balances and accounts receivable.....	27,891	9,755	2,846
Advance balances and accounts payable.....	—	—	1,159
Loan payables to Mr. Vaja Jhashi.....	21,203	19,334	18,752

Loan payable to Cooperstown SARL.....	878	819	801
Loan interest unwinding.....	687	1,263	601

Advance balances and accounts receivable primarily include balances with VictoriaOil, as noted above under “—VictoriaOil”. The loan payables to Mr. Vaja Jhashi are discussed above under “—Loan agreement with the Shareholder”.

For further detail, see Note 29 to the Consolidated Financial Statements.

DESCRIPTION OF THE ISSUER

The Issuer

The Issuer was incorporated in Ireland as a designated activity company under the Companies Act 2014 (as amended) of Ireland (registered number 619167) on 19 January 2018. The registered office of the Issuer is 1 Francis Street, Dundalk, Louth, Ireland. and its phone number +353 (0) 42 941 7860.

Share capital and ownership

The authorised share capital of the Issuer is EUR 100 divided into 100 ordinary shares of par value EUR 1 each (the “**Shares**”). The Issuer has issued one share, which is fully paid and is held by the Parent.

Pursuant to the constitution of the Issuer, its board of directors is responsible for its management. Under Irish law, for as long as the Issuer is solvent, the board of directors is required to act in the best interests of the Issuer.

The relationship between the Issuer and the Parent is governed by the constitution of the Issuer and Irish law, including the Companies Act and regulations made thereunder.

Gershies Limited t/a VANTRU (the “**Corporate Services Provider**”), an Irish company, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement dated 25 October 2022 between the Issuer and the Corporate Services Provider (the “**Corporate Services Agreement**”), the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time-to-time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days written notice to the other party.

The Corporate Services Provider’s principal office is 28 Fitzwilliam Place, Dublin, Dublin 2, D02 P283, Ireland.

Business

The principal objects of the Issuer are set forth in clause 3 of its memorandum of association (as currently in effect) and permit the Issuer, among other things, to lend money and give credit, secured or unsecured, to issue debentures and otherwise to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money.

The Issuer is organised as a special purpose company. The Issuer was established to raise capital by the issue of debt securities and to use amounts equal to the proceeds of each such issuance to advance loans to Group companies.

Since its incorporation the Issuer has not engaged in material activities other than those incidental to its registration as a designated activity company under the Companies, the issue of the 2024 Notes and the issue of the Notes. The Issuer has no employees.

Directors and Company Secretary

The Issuer’s Constitution provide that the Board of Directors of the Issuer will consist of at least two Directors.

The Directors of the Issuer and their business addresses are as follows:

- Ronan Collins - 3 Glensavage, Avoca Road, Blackrock, Dublin, Ireland, A94 K0F3
- Brian Williams- 4 Allendale Drive Clonsilla, Dublin, Dublin 15, Ireland, D15HKW2

Both Directors of the Issuer are Irish.

The Issuer’s Company Secretary is Mulvaney Co Sec Limited of Hamilton House, 28 Fitzwilliam Place, Dublin 2, D02 P283.

Financial Statements

The Issuer published its most recent financial statements in respect of the year ended on 30 June 2024. The Issuer does not prepare interim financial statements. The financial year of the Issuer ends on 30 June in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with a report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The profit and loss account, the financial statements of the Issuer and balance sheet can be obtained free of charge from the registered office of the Issuer.

Such financial statements are located at the specified offices of the Issuer during normal business hours.

The auditors of the Issuer are Baker Tilly Ireland Audit Ltd of the Penthouse Floor, 5 Lapps Quay, Cork, T12 RW7D, Ireland, who are chartered accountants and are members of the Association of Chartered Certified Accountants and registered auditors qualified to practice in Ireland.

DESCRIPTION OF THE GUARANTORS

See “*Business*” and below for the principal activities of the Guarantors within the Group. The Consolidated Financial Statements include both its Guarantor subsidiaries and its subsidiaries that are not Guarantors. As of the date of this Information Memorandum, each Guarantor is a wholly owned direct or indirect subsidiary of the Parent, except for the following Guarantors, which are owned directly or indirectly by the Parent:

Name	Percentage Group ownership
“Elevatorul Iargara” S.A.	89.731%
“Floarea Soarelui” S.A.	84.657%*
“Prut” S.A.	61.926%
I.C.S. “Trans Bulk Logistics” S.R.L.	80.00%
Combinatul de cereale “Aur Alb” S.A.	63.523%
“Elevator Kelley Grains” S.A.	89.772%
Reniyskiy Elevator A.L.C.	94.77%

*Common shares

As at the date of this Information Memorandum, neither the Parent, nor any of the Guarantors is aware of any potential conflict of interests between the duties their directors owe, on the one hand, and their private interests or the duties owed by any of them to any other person, on the other.

The Parent

The Parent is a private limited company incorporated in Cyprus, registered number HE308295 under the name Aragvi Holding International Ltd under the Cypriot on 21 June 2012. The registered office of the Parent is Menandrou, 4, GALA TOWER, 2nd Floor, 1066, Nicosia, Cyprus and its telephone number is +357 (22) 66-77-30. The Parent’s corporate services provider in Cyprus is M. Eliades & Partners LLC (registration number HE 248345) and its phone number is +357 (22) 66-77-30.

As at the date of this Information Memorandum, the issued share capital of the Parent is €12,572 divided into 12,572 ordinary shares of EUR 1.00 each. On 18 June 2019, Oaktree Capital Management LP, via its vehicle Cooperstown acquired a 12.5 per cent. interest in the Parent through a conversion of a loan granted to the Group in 2015 into equity.

The principal objects of the Parent are set forth in its Articles of Association (as currently in effect).

For a description of the Parent’s management, please see “*Management*”.

The Parent’s Secretary is Eleni Karra, business address: Filokyprou, 10, Kato Lakatamia, 2322, Nicosia, Cyprus.

The Guarantors

For the year ended 30 June 2024, the Guarantors accounted for approximately 77.4 per cent. (U.S.\$164,455 thousand) of the Group’s EBITDA and as at 30 June 2024, approximately 85.72 per cent. (U.S.\$579,651 thousand) of the total net assets of the Group and the Group’s subsidiaries that are not Guarantors accounted for approximately 22.6 per cent. (U.S.\$48,021 thousand) of the Group’s EBITDA and approximately 14.28 per cent. (U.S.\$96,563 thousand) of the total net assets of the Group. For the year ended 30 June 2024, the Issuer had no EBITDA and as at 31 December 30 June 2024, it had net assets of U.S.\$1,700.

The following table sets out the name, percentage ownership by the Group and address for each Guarantor as of the date of this Information Memorandum.

Name	Percentage Group ownership	Address
“Agrofloris-Nord” S.R.L.	100%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
I.C.S. “Anengrain-Group” S.R.L.	100%	30 Cucoarelor street, Bulboaca village, Anenii Noi district, Moldova
“Elevatorul Iargara” S.A.	89.731%	3, 31 August 1989 street, Iargara town, Leova district, Moldova
I.C.S. “Flograin Group” S.R.L.	100%	101, 31 August 1989 street, Florești district, Moldova
“Floarea Soarelui” S.A.	84.657%*	6, 31 August, Street, Balti, MD-3100, Republic of Moldova
“Molgranum” S.R.L.	100%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
“Prut” S.A.	61.926%	Cania village, Cantemir district, Moldova
I.C.S. “Trans Bulk Logistics” S.R.L.	80.00%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
S.C. “Trans Cargo Terminal” S.R.L.	100%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
I.C.S. “Uleinord” S.R.L.	100%	116 Ștefan cel Mare street, Otaci town, Ocnita district, Moldova
I.C.S. “Unco-Cereale” S.R.L.	100%	Unchitesti village, Floresti district, Moldova
Combinatul de cereale “Aur Alb” S.A.	63.523%	24/A Bugeacului street, Ceadâr-Lunga town, Uta Gagauzia, Moldova
“Elevator Kelley Grains” S.A.	89.772%	13, Tighina Street, Causeni district, Moldova
I.M. “Trans Oil Refinery” S.R.L.	100%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
Reniyskiy Elevator A.L.C.	94.77%	Building 278, 28 Chervnia Street, Reni, Reniyskiy District, Odessa Region, Ukraine
I.C.S. “Kelley Grains Corporation” S.R.L.	100%	27 Tolstoi Lev street, Chisinau, MD-2001, Republic of Moldova
I.C.S. “FFA Trans Oil Ltd”, S.R.L.	100%	27, Lev Tolstoi Street, Chisinau Municipality, MD-2001, Republic of Moldova
Visions Holding SA	100%	Chemin du Pommier 42, c/o TOI Commodities SA, Bâtiment Kyoto, 1218 Le Grand-Saconnex, Geneva
Stareverest Trading & Investment Limited	100%	Menandrou, 4, GALA TOWER, 2 nd Floor, 1066, Nicosia, Cyprus
TOI Commodities SA	100%	Chemin du Pommier 42, Bâtiment Kyoto, 1218, Le Grand-Saconnex, Switzerland

*Common shares

Additional information for certain Guarantors

Additional information for Guarantors, any of which, as at and for the year ended 30 June 2024 had more than 20 per cent. of the Group’s EBITDA or net assets is set out below.

Agrofloris-Nord SRL

“Agrofloris-Nord” S.R.L. accounted for U.S.\$52,774,790 thousand, or 25 per cent., of the Group’s consolidated EBITDA and U.S.\$155,263,151 thousand, or 23.0 per cent., of the Group’s consolidated net assets for the year ended and as of 30 June 2024, respectively. There are no risks specific to, or encumbrances on the assets of, “Agrofloris-Nord” S.R.L. that could materially affect its ability to meet its obligations under the Guarantees.

Full legal and commercial name	“Agrofloris-Nord” S.R.L.
Date and place of incorporation	8 April 2008, Moldova
Registration number	1008602003729
The domicile and legal address of the Guarantor’s registered office and legislation under which the Guarantor operates	27, Lev Tolstoi Street, Chisinau, MD-2001, Moldova
Principal activities of the Guarantor	Oilseed cleaning, drying, and storage services provider

Description of the Guarantor's position within the Group "Agrofloris-Nord" S.R.L. has one shareholder, Trezeme Ltd., incorporated in Cyprus, which is indirectly owned by the Parent.

TERMS AND CONDITIONS OF THE NOTES

The U.S.\$550,000,000 11.125 per cent. Secured Notes due 2029 (the “**Notes**”, which expression shall include any Additional Notes issued pursuant to Condition 15 (Further Issues) and consolidated and forming a single series therewith) of Aragvi Finance International DAC (the “**Issuer**”) are guaranteed unconditionally and irrevocably, jointly and severally (the “**Initial Non-Ukrainian Guarantees**”) by Aragvi Holding International Ltd (the “**Parent**”), “Agrofloris Nord” S.R.L., I.C.S. “Anengrain-Group” S.R.L., “Elevatorul Iargara” S.A., I.C.S. “Flograin Group” S.R.L., “Floarea Soarelui” S.A., “Molgranum” S.R.L., “Pрут” S.A., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., I.C.S. “Unco-Cereale” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelley Grains” S.A., I.M. “Trans Oil Refinery” S.R.L., I.C.S. “Kelley Grains Corporation” S.R.L., I.C.S. “FFA Trans Oil Ltd”, S.R.L., Visions Holding SA, Stareverest Trading & Investment Limited and TOI Commodities SA (together with the Parent, the “**Initial Non-Ukrainian Guarantors**”).

Товариство з додатковою відповідальністю «Ренійський Елеватор» (Additional Liability Company “**Reniiyskiy Elevator**”) (the “**Initial Surety**”) and, together with the Initial Non-Ukrainian Guarantors, the “**Initial Guarantors**”) has unconditionally and irrevocably agreed to ensure the due payment of all sums expressed to be payable by the Issuer or the Guarantors under the Notes and the Trust Deed (the “**Initial Suretyship**”) and, together with the Initial Non-Ukrainian Guarantees, the “**Initial Guarantees**”).

The Board of Directors of the Issuer authorised the issue of the Notes on 24 October 2024. Each Initial Guarantor authorised each Initial Guarantee given by it by (i) decisions of authorised bodies of the Initial Surety on 27 October 2024 and 14 November 2024, TOI Commodities SA on 24 October 2024, “Agrofloris-Nord” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Anengrain-Group” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Flograin Group” S.R.L. on 24 October 2024 and 14 November 2024, “Molgranum” S.R.L. on 24 October 2024 and 13 November 2024, I.C.S. “Trans Bulk Logistics” S.R.L. on 24 October 2024 and 13 November 2024, S.C. “Trans Cargo Terminal” S.R.L. on 24 October 2024 and 13 November 2024, I.C.S. “Uleinord” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Unco-Cereale” S.R.L. on 24 October 2024 and 14 November 2024, I.M. “Trans Oil Refinery” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Kelley Grains Corporation” S.R.L. on 24 October 2024 and 14 November 2024, “Floarea Soarelui” S.A. on 25 October 2024 and 14 November 2024, Combinatul de cereale “Aur Alb” S.A. on 21 October 2024 and 14 November 2024, “Elevator Kelley Grains” S.A. on 18 October 2024 and 13 November 2024, “Elevatorul Iargara” S.A. on 23 October 2024 and 13 November 2024, I.C.S. “FFA Trans Oil Ltd”, S.R.L. on 24 October 2024 and 14 November 2024, “Pрут” S.A. on 23 October 2024 and 14 November 2024, Visions Holding SA on 24 October 2024 and Stareverest Trading & Investment Limited on 25 October 2024 and 14 November 2024 and (ii) decisions of shareholders of the Parent on 25 October 2024 and 14 November 2024 and decisions of the Board of Directors of the Parent on 25 October 2024 and 14 November 2024.

The Notes are constituted by a trust deed (the “**Trust Deed**”) dated 20 November 2024 between the Issuer, the Initial Guarantors, BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) and CSC Trustees Limited in its capacity as security trustee for and on behalf of the Secured Creditors (the “**Security Trustee**”). The Initial Surety, the Security Trustee and the Trustee have also entered into a suretyship agreement (the “**Suretyship Agreement**”) dated 20 November 2024.

Security for, the Issuer and the Guarantors’ obligations under the Notes, the Suretyship Agreement, the Agency Agreement, the Trust Deed and the other Security Documents is created by the Trust Deed, Moldovan-law governed mortgage agreements, Moldovan-law governed pledge agreements, Ukrainian-law governed mortgage agreement and Ukrainian-law governed pledge agreements, each dated on or around 20 November 2024 (together with the Trust Deed, the “**Security Documents**” and each a “**Security Document**”) and, in the case of each Security Document other than the Trust Deed, each between the relevant Pledgor named therein and the Security Trustee.

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Suretyship Agreement. The Issuer and the Initial Guarantors have also entered into a paying agency agreement dated 20 November 2024 (the “**Agency Agreement**”) with the Trustee, The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expressions include any successor registrar appointed from time to time in connection with the Notes) and The Bank of New York Mellon, London Branch as principal paying agent and transfer agent (the “**Principal Paying Agent**”) and, together with any other party appointed

as such, a “**Paying Agent**”, and the “**Transfer Agent**”), which expression includes any successor principal paying and transfer agent appointed from time to time in connection with the Notes).

The Parent and the Initial Guarantors may also be obliged to procure additional guarantees (each an “**Additional Non-Ukrainian Guarantee**” and together, the “**Additional Non-Ukrainian Guarantees**”) or additional suretyships (each an “**Additional Suretyship**” and together, the “**Additional Suretyships**”, and the Additional Suretyships together with the Additional Non-Ukrainian Guarantees, the “**Additional Guarantees**”) of the Issuer’s obligations under the Trust Deed and the Notes by certain other Subsidiaries (each an “**Additional Guarantor**” and together, the “**Additional Guarantors**”) that at such time have not been released from their obligations in accordance with these Conditions, the “**Guarantors**”) in the circumstances set out and as provided in Conditions 2.2 (*Additional Guarantees*) and 3.10 (*Additional Guarantees*). The Initial Guarantees and Additional Guarantees (if any) are together referred to as the “**Guarantees**” and each is a “**Guarantee**”. The Initial Guarantors, on a consolidated basis, collectively generated approximately 79.2 per cent. of the Parent’s consolidated revenue and approximately 77.4 per cent. of the Consolidated EBITDA (as defined in these Conditions) for the financial year ended 30 June 2024, and collectively held, on a consolidated basis, 85.72 of the Parent’s consolidated total net assets as of 30 June 2024.

References herein to the “**Agents**” are to the Registrar, the Transfer Agent and the Principal Paying Agent and any Paying Agent and any reference to an “**Agent**” is to any one of them. Unless a contrary indication appears, any reference in these Conditions to the “**Issuer**”, the “**Guarantors**”, the “**Trustee**”, the “**Security Trustee**” and any “**Agent**” shall be construed so as to include its successors in title, permitted assigns and permitted transferees.

Copies of the Suretyship Agreement, the Agency Agreement, the Trust Deed and the other Security Documents are available for inspection on request to the Registrar by emailing corpsov2@bnymellon.com.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Suretyship Agreement, the Trust Deed and the other Security Documents and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

Form, Denomination, Register, Title and Transfer

1.1 Form and denomination

The Notes are issued in the specified denomination of U.S.\$200,000 and higher integral multiples of U.S.\$1,000.

The Notes are represented by registered definitive Notes (“**Definitive Notes**”) and, save as provided in Condition 1.3.1, each Definitive Note shall represent the entire holding of Notes by the same holder.

1.2 Title

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Definitive Note representing it or the theft or loss of such Definitive Note and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered.

1.3 Transfer

1.3.1 **Transfer:** A holding of Notes may, subject to Condition 1.3.5, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or the relevant Transfer Agent) of the Definitive Note(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Definitive Note(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Note, a new Definitive Note shall be issued to the transferee in respect of the part

transferred and a further new Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Definitive Note representing the enlarged holding shall only be issued against surrender of the Definitive Note representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- 1.3.2 **Exercise of Options or Partial Redemption in Respect of Notes:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Notes represented by a single Definitive Note, a new Definitive Note shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Definitive Notes shall be issued in respect of those Notes of that holding that have the same terms. New Definitive Notes shall only be issued against surrender of the existing Definitive Notes to the Registrar or any Transfer Agent.
- 1.3.3 **Delivery of New Definitive Notes:** Each new Definitive Note to be issued pursuant to Condition 1.3.1 or 1.3.2 shall be available for delivery within three business days of receipt of a duly completed form of transfer and surrender of the existing Definitive Note(s). Delivery of the new Definitive Note(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Definitive Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 1.3.3, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- 1.3.4 **Transfer or Exercise Free of Charge:** Definitive Notes, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- 1.3.5 **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Conditions 5.2 (*Optional Redemption*), 5.3 (*Optional Redemption in the Event of an Equity Offering*), 5.5 (*Redemption for Taxation Reasons*) and 5.6 (*Redemption at Make Whole*), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

2 Initial Non-Ukrainian Guarantee, Suretyship, Status and Security

2.1 Initial Non-Ukrainian Guarantee and Initial Suretyship

The Initial Non-Ukrainian Guarantors have, pursuant to the guarantee contained in the Trust Deed, unconditionally and irrevocably, jointly and severally with every other Initial Non-Ukrainian Guarantor, guaranteed the due payment of all moneys payable by the Issuer under the Notes and the Trust Deed or by the Sureties under the Suretyship Agreement or the Notes. The Initial Surety has provided an unconditional and

irrevocable Initial Suretyship pursuant to the Suretyship Agreement, in relation to the due payment of all moneys payable by the Issuer or the Guarantors under the Notes and the Trust Deed.

2.2 Additional Guarantees and Additional Suretyships

The Parent may from time to time designate a Subsidiary as an Additional Guarantor of the Notes. The Parent will cause each Additional Non-Ukrainian Guarantor to execute and deliver to the Trustee and the Security Trustee a deed supplemental to the Trust Deed, pursuant to which such Additional Non-Ukrainian Guarantor will, on a joint and several basis with each other Non-Ukrainian Guarantor, unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer under the Notes and the Trust Deed or by the Sureties under the Suretyship Agreement or the Notes.

The Parent will cause each Additional Surety to execute and deliver to the Trustee and the Security Trustee a deed of accession to the Suretyship Agreement pursuant to which the Additional Surety will, on a joint and several basis with each other Surety, unconditionally and irrevocably ensure the due payment of all moneys payable by the Issuer or the Guarantors under the Notes and the Trust Deed. Each Additional Surety will also execute and deliver a deed supplemental to the Trust Deed pursuant to which they will enter into contractual arrangements with the Trustee and the Security Trustee.

The Issuer shall give notice to the Trustee, the Security Trustee and the Noteholders in accordance with Condition 16 (*Notices*) of the accession of each Additional Guarantor by execution of a deed supplemental to the Trust Deed or a deed of accession to the Suretyship Agreement (as the case may be). The accession of an Additional Guarantor pursuant to this Condition 2.2 shall be conditional upon receipt by the Trustee and the Security Trustee of an Opinion of Counsel as to the enforceability under English law of the Guarantee from such Additional Guarantor. The Trustee and the Security Trustee shall be entitled to accept and rely on the Opinion of Counsel referred to above, without further enquiry and without liability to any Person, as sufficient evidence of the matters certified therein.

2.3 Release of the Guarantees

A Guarantee of a Guarantor shall be released, automatically and without further action on the part of any Noteholder or the Trustee:

- 2.3.1 in the event that such Guarantor is disposed of in a manner which is permitted by these Conditions (*provided that*, in any event, the disposal is not made to a Subsidiary);
- 2.3.2 upon the full and final repayment of the Notes and performance of all obligations of the Issuer and the Guarantors under the Notes, the Contracts and the Trust Deed;
- 2.3.3 upon the merger or consolidation of any Guarantor with and into the Issuer or another Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation or dissolution of such Guarantor following the transfer of all of its assets to the Issuer or another Guarantor;
- 2.3.4 as described in Condition 11 (*Meetings of Noteholders; Modification, Waiver and Substitution*); or
- 2.3.5 on the liquidation of such Guarantor in accordance with these Conditions.

The Trustee shall (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) take all actions which in its sole opinion it considers are necessary or desirable to effect any release in accordance with these provisions.

Notwithstanding anything to the contrary in this Condition 2.3, the Parent and the Subsidiaries shall comply at all times with their obligation to provide Additional Guarantors under Condition 3.10 (*Additional Guarantees*).

2.4 Status

The Notes constitute direct, unsubordinated and unconditional obligations of the Issuer which are secured in the manner provided for in Condition 2.5 and shall at all times rank *pari passu* and without any preference

among themselves and at least *pari passu* with all outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

The Initial Non-Ukrainian Guarantees constitute and any Additional Non-Ukrainian Guarantees will constitute direct, unsubordinated and unconditional obligations of the Non-Ukrainian Guarantors in relation to the Non-Ukrainian Guarantees and the Sureties in relation to the Suretyships which are secured in the manner provided for in Condition 2.5, and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all outstanding unsecured and unsubordinated obligations of the Guarantors, as the case may be, present and future.

The Initial Suretyship constitutes and any Additional Suretyships will constitute direct, unsecured, unsubordinated and unconditional obligations of the Sureties in relation to the Suretyships and the Non-Ukrainian Guarantors in relation to the Non-Ukrainian Guarantees which are secured in the manner provided for in Condition 2.5 (*Security*) and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all outstanding unsecured and unsubordinated obligations of the Guarantors, as the case may be, present and future.

2.5 Security

2.5.1 The Noteholders and the other Secured Creditors will share in the benefit of the Security. The Security is granted to the Security Trustee, as parallel debt creditor and on trust for the Noteholders and the other Secured Creditors pursuant to the Trust Deed, as security for the Secured Liabilities, upon and subject to the terms of the Trust Deed and the other Security Documents, as applicable. After the Issue Date and before completion of the Security Conversion (as defined in Condition 3.14 (*Perfection of Security*)), the Security will consist of:

- (i) second-ranking Moldovan law governed pledges over substantially all of the movable assets (excluding Commodities) of “Agrofloris-Nord” S.R.L., “Elevatorul Iargara” S.A., “Floarea Soarelui” S.A., “Molgranum” S.R.L., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelley Grains” S.A. and I.M. “Trans Oil Refinery” S.R.L. (the “**Moldovan Pledgors**”);
- (ii) second-ranking Moldovan law governed mortgages over substantially all of the immovable assets of the Moldovan Pledgors;
- (iii) second-ranking Ukrainian law governed pledges over substantially all of the movable assets (excluding Commodities) of the Initial Surety; and
- (iv) a second-ranking Ukrainian law governed mortgage over substantially all of the immovable assets of the Initial Surety,

all as more particularly set out in the Security Documents.

2.5.2 Following completion of the Security Conversion, the Security will consist of:

- (i) first-ranking Moldovan law governed pledges over substantially all of the movable assets (excluding Commodities) of the Moldovan Pledgors;
- (ii) first-ranking Moldovan law governed mortgages over substantially all of the immovable assets of the Moldovan Pledgors;
- (iii) first-ranking Ukrainian law governed pledges over substantially all of the movable assets (excluding Commodities) of the Initial Surety;
- (iv) a first-ranking Ukrainian law governed mortgage over substantially all of the immovable assets of the Initial Surety; and

all as more particularly set out in the Security Documents.

- 2.5.3 Neither the Trustee nor the Security Trustee will be liable for any failure to make any investigations in relation to the undertaking, property, assets or rights which are the subject of the Security or be bound to enquire into or be liable for any defect or failure in the right or title of the relevant Guarantor to the Secured Property, whether such defect or failure was known to the Trustee or the Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will either of them have any liability for the limitation on the Security Trustee's ability to enforce or for any other restrictions or limitations or for the validity, sufficiency or enforceability of the Security whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise.
- 2.5.4 Upon enforcement of the Security, the proceeds of such enforcement, despite any appropriation of all or part of them by the Issuer or any Guarantor, shall be applied by the Security Trustee as set out in the Trust Deed.
- 2.5.5 The Security Trustee shall release without the need for consent of the holders, Liens on the Secured Property:
- (i) upon payment in full of principal, interest and all other obligations on the Notes and of the Secured Liabilities; or
 - (ii) as may be permitted by Condition 3.14 (*Perfection of Security*).

3 Covenants

For so long as any amount remains outstanding under the Notes:

3.1 Limitation on Liens

3.1.1 The Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) of any kind on any asset, or assign or convey any right to receive income therefrom, now owned or hereafter acquired, *provided, however*, that the Parent or any of its Subsidiaries may, directly or indirectly, create, incur, assume or suffer to exist any Lien:

- (i) to secure Indebtedness that ranks at least *pari passu* with the Notes or the Guarantees; provided that all Obligations under the Notes or the Guarantees, as the case may be, are secured on an equal and rateable basis with the Indebtedness so secured, and
- (ii) to secure Indebtedness that is expressly subordinated to the Notes or the Guarantees, provided that all Obligations under the Notes or the Guarantees, as the case may be, are secured on a senior basis to the Indebtedness so secured,

provided, in each case, that such Lien does not violate Condition 3.13.2.

3.1.2 Any such Lien in favour of the Security Trustee, the Trustee and the Holders of the Notes will be automatically and unconditionally released and discharged concurrently with (i) the unconditional release of the Lien which gave rise to the Lien in favour of the Security Trustee, the Trustee and the Holders of the Notes (other than as a consequence of an enforcement action with respect to the assets subject to such Lien), or (ii) upon the full and final payment of all amounts payable by the Issuer and the Guarantors under the Notes, the Suretyship Agreement, the Agency Agreement, the Trust Deed and the other Security Documents.

3.2 Limitation on Incurrence of Indebtedness

3.2.1 The Parent will not, and will not permit any of its Subsidiaries to, Incur, directly or indirectly, any Indebtedness (including Acquired Debt), except that if, on the date of such Incurrence and after giving pro forma effect thereto and the application of proceeds therefrom, (A) no Potential Event of Default or Event of Default shall have occurred and be continuing at the time, or would occur as a consequence thereof, (B) the Fixed Charge Coverage Ratio for the Parent and its Subsidiaries would

have been at least 2.5 to 1 and (C) the Consolidated Net Leverage Ratio would have been 3.0 to 1 or lower; and

(D)

- (i) the Guarantors may Incur Indebtedness (including Acquired Debt); and
- (ii) any Non-Guarantor Subsidiary may Incur Indebtedness without having to comply with paragraph (iii) below if, after giving pro forma effect thereto and the application of proceeds therefrom, the aggregate principal amount of outstanding Priority Indebtedness would not exceed 7.5 per cent. of the Group's total assets as shown in the latest published consolidated financial statements of the Parent prepared in accordance with the Accounting Standards; and
- (iii) any Non-Guarantor Subsidiary may Incur Indebtedness if, within 90 days after such Incurrence, such Non-Guarantor Subsidiary executes and deliver to the Trustee and the Security Trustee an Additional Guarantee, pursuant to which such Subsidiary will, unconditionally and irrevocably, jointly and severally with all other Non-Ukrainian Guarantors or the Sureties, as the case may be, guarantee or provide a suretyship in respect of, all moneys payable under the Notes, the Trust Deed and the Suretyship Agreement.

3.2.2 Notwithstanding the foregoing Condition 3.2.1, the Parent and its Subsidiaries will be entitled to Incur any or all of the following Indebtedness:

- (i) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness outstanding on the Issue Date (other than Indebtedness described in paragraph (ii) of this Condition 3.2.2);
- (ii) the Incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes and the related Guarantees (for the avoidance of doubt, no Additional Notes may be issued in reliance on this paragraph (ii));
- (iii) the Incurrence by the Parent or any of its Subsidiaries of Refinancing Indebtedness with respect to Indebtedness (other than intercompany Indebtedness) that was permitted to be Incurred under Condition 3.2.1 or under paragraphs (i), (ii), (iii), (x), or (xii) of this Condition 3.2.2;
- (iv) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness between or among the Parent and any of its Subsidiaries, provided, however, that any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Parent or any of its Subsidiaries) shall be deemed, in each case, to constitute Incurrence of such Indebtedness by the obligor thereof;
- (v) the Incurrence by the Parent or any of its Subsidiaries of Hedging Obligations for the purpose of fixing or hedging (A) interest rate risk with respect to or in connection with any Indebtedness that is permitted by the terms of the Notes to be outstanding; (B) currency exchange rate risk or (C) commodity price risk, in the case of (A) through (C), not entered into for speculative purposes and including any such Hedging Obligations Incurred in connection with the issuance of the Notes;
- (vi) the guarantee by the Parent or any of its Subsidiaries of Indebtedness of the Parent or any of its Subsidiaries that was permitted to be Incurred by another provision of this covenant; provided that if the Indebtedness being guaranteed is subordinated in right of payment to the Notes or the Guarantees thereof, then such guarantee shall be subordinated to the same extent as the Indebtedness guaranteed;
- (vii) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance and surety bonds or letters of credit or other similar obligations (not for

- borrowed money) in the ordinary course of business (including guarantees or indemnities related thereto);
- (viii) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of Incurrence;
 - (ix) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness arising from agreements of the Parent or any of its Subsidiaries providing for guarantees, indemnification, adjustment of purchase price, earn outs or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Subsidiary, other than guarantees of Indebtedness of the Subsidiary disposed of, or incurred or assumed by any Person acquiring all or any portion of such business, assets or Capital Stock for the purpose of financing such acquisition; provided that the maximum liability of the Parent and its Subsidiaries in respect of all such Indebtedness (other than in respect of tax and environmental matters) shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value) actually received by the Parent and its Subsidiaries in connection with such disposition;
 - (x) the Incurrence or acquisition of Indebtedness, Disqualified Stock or Preferred Stock either (x) of Persons that are acquired by the Parent or any of its Subsidiaries or merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent or any of its Subsidiaries; or (y) by the Parent or any other Guarantor in connection with or in contemplation of such acquisition, merger, consolidation, amalgamation or other combination, in each case in accordance with these Conditions; provided, however, that with respect to each of clause (x) and (y), that on the date of such acquisition, merger, consolidation or amalgamation or combination and after giving pro forma effect thereto (A) the Parent would have been entitled to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Condition 3.2.1 or (B) on the date of such Incurrence and after giving pro forma effect thereto and the application of proceeds therefrom (I) the Consolidated Fixed Charge Coverage Ratio of the Parent would not be less than it was immediately prior to giving pro forma effect to the Incurrence of such Indebtedness pursuant to this paragraph (x) and (II) the Consolidated Net Leverage Ratio would have been 3.0 to 1.0 or lower;
 - (xi) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness under (A) trade credit facilities or (B) VAT Facilities, in each case incurred in order to finance the acquisition, processing and/or distribution and sale of the Commodities and finished products produced with such Commodities (the "Products") inclusive of amounts of VAT paid in respect of the foregoing, in an aggregate amount not to exceed, at any time outstanding, the product of (A) the Consolidated EBITDA for the most recently completed two consecutive semi-annual periods for which financial information has been published immediately preceding the date on which such Indebtedness is incurred (B) multiplied by 2.5; provided, however, that solely for the purposes of calculations under this paragraph (xi), such aggregate amount shall be rounded down to the nearest U.S.\$10.0 million or U.S.\$5.0 million, as the case may be, and further provided that any individual drawdown under such facilities is repaid within 12 months of such drawdown;
 - (xii) the Incurrence by the Parent or any of its Subsidiaries of Indebtedness under any credit facilities solely for working capital purposes provided that the maturity of any advance thereunder is less than 90 days;

- (xiii) the Incurrence by the Parent or any of its Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) not exceeding U.S.\$50.0 million at any time outstanding, provided that any Non-Guarantor may only Incur Indebtedness under this paragraph if, after giving pro forma effect thereto and the application of proceeds therefrom, the aggregate principal amount of Priority Indebtedness would not exceed 7.5 per cent. of the Group's total assets as shown in the latest published consolidated financial statements of the Parent prepared in accordance with the Accounting Standards; and
 - (xiv) the incurrence by the Parent or any of its Subsidiary of additional Indebtedness represented by Purchase Money Indebtedness or other Indebtedness incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property, plant or equipment that is used or useful in a Permitted Business (including any reasonable related fees or expenses incurred in connection therewith), and any Refinancing Indebtedness in respect thereof, in an aggregate principal amount at any time outstanding not to exceed U.S.\$30.0 million.
- 3.2.3 For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the U.S. Dollar Equivalent determined on the date of the Incurrence of such Indebtedness; provided, however, that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S. dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars will be as provided in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the U.S. Dollar Equivalent of the Indebtedness Refinanced, except to the extent that (1) such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the U.S. Dollar Equivalent of such excess will be determined on the date such Refinancing Indebtedness is Incurred. Notwithstanding any other provision of this Condition 3.2, the maximum amount that the Parent or a Subsidiary may incur pursuant to this Condition 3.2 shall not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.
- 3.2.4 Notwithstanding the foregoing, neither the Issuer nor any Guarantor will Incur any Indebtedness pursuant to Condition 3.2.2 if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Issuer or any Guarantor unless such Indebtedness shall be subordinated to the Notes or the applicable Guarantee to at least the same extent as such Subordinated Obligations.
- 3.2.5 Neither the Issuer nor any Guarantor will incur any Indebtedness (including permitted Indebtedness in accordance with Conditions 3.2.1 and 3.2.2 above) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Guarantee on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis or by virtue of not being guaranteed.
- 3.2.6 For purposes of determining compliance with this Condition 3.2, in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, or is entitled to be incurred pursuant to Condition 3.2.1, the Parent

will classify such Indebtedness on the date of Incurrence and may later reclassify such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant, provided that all Indebtedness Incurred under paragraph (xi) of Condition 3.2.2 shall be deemed incurred under paragraph (xi) or paragraph (xiii) of Condition 3.2.2 and not paragraph (xii) of Condition 3.2.2 and may not later be reclassified.

3.2.7 The accrual of interest, the accretion or amortisation of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for the purposes of this covenant.

3.2.8 The amount of any Indebtedness outstanding as of any date will be:

- (i) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (ii) the greater of the liquidation preference or the maximum fixed redemption or repurchase price of the Disqualified Stock, in the case of Disqualified Stock; and
- (iii) the principal amount of the Indebtedness, in the case of any other Indebtedness.

For purposes of the foregoing, the “maximum fixed repurchase price” of any Disqualified Stock that do not have a fixed redemption or repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed or repurchased on any date of determination.

3.3 Limitation on Restricted Payments

3.3.1 The Parent will not, and will not permit any of its Subsidiaries, directly or indirectly, to make a Restricted Payment unless at the time of and after giving effect to such Restricted Payment:

- (i) no Potential Event of Default or Event of Default shall have occurred and be continuing (or would result therefrom); and
- (ii) the Parent and its Subsidiaries are entitled to Incur an additional US\$1.00 of Indebtedness pursuant to Condition 3.2.1; and
- (iii) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would not exceed the sum of (without duplication):
 - (A) 50 per cent. of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the first fiscal semi-annual period during which the Issue Date falls to the end of the most recently ended fiscal semi-annual period for which financial statements have been provided under Condition 3.11 (*Reports*) prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100 per cent. of such deficit); plus
 - (B) 100 per cent. of the aggregate Net Cash Proceeds received by the Parent subsequent to the Issue Date (i) as a contribution to its ordinary equity capital, (ii) from the issue or sale or exercise of Capital Stock of the Parent (other than Disqualified Stock), (iii) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Parent that have been converted into or exchanged for such Capital Stock (other than Capital Stock (or Disqualified Stock or debt securities) sold to a Subsidiary of the Parent) or (iv) from the issue of Indebtedness of the Parent or a Subsidiary for cash subsequent to the Issue Date that has been converted into or exchanged for such Capital Stock (other than Disqualified Stock); plus

- (C) an amount equal to the aggregate net reduction in Restricted Investments (other than any such Investments made pursuant to paragraphs (i) to (viii) of Condition 3.3.2 below) by the Parent or any of its Subsidiaries and resulting from the repurchase, repayment or redemption of such Restricted Investments for cash, or from cash proceeds realised on the sale of all or part of such Investment or representing a return of capital (excluding dividends) with respect thereto; *provided, however*, that the foregoing net reduction shall not exceed the amount (in respect of any Person) of the Restricted Investment previously made (and treated as a Restricted Payment) by the Parent or any of its Subsidiaries.

3.3.2 The foregoing Condition 3.3.1 will not prohibit:

- (i) the payment of any dividend within 180 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of these Conditions;
- (ii) the making of any Restricted Payment in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary) of, Capital Stock of the Parent (other than Disqualified Stock) or from the substantially concurrent contribution of ordinary equity capital to the Parent; provided that the amount of any such Net Cash Proceeds that are utilised for any such Restricted Payment will be excluded from Condition 3.3.1(iii)(B);
- (iii) the defeasance, redemption, repurchase or other acquisition of Indebtedness of the Parent or any of its Subsidiaries that is contractually subordinated to the Notes or any Guarantee with the Net Cash Proceeds from a substantially concurrent Incurrence of Refinancing Indebtedness;
- (iv) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represent a portion of the exercise price of such stock options or warrants;
- (v) the repurchase, redemption, or other acquisition for value of Capital Stock of the Parent or any of its Subsidiaries representing fractional shares of such Capital Stock in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Parent or such Subsidiary, in each case, permitted under these Conditions;
- (vi) so long as no Potential Event of Default or Event of Default has occurred and is continuing and no Potential Event of Default or Event of Default would be caused thereby, the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Parent issued on or after the Issue Date in accordance with Condition 3.2.1;
- (vii) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or contemplation of a merger, consolidation or transfer of assets; or
- (viii) so long as no Potential Event of Default or Event of Default has occurred and is continuing and no Potential Event of Default or Event of Default would be caused thereby, other Restricted Payments made since the Issue Date and remaining outstanding in an aggregate amount not to exceed US\$5.0 million.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined in good faith by the Parent's Board of Directors whose resolution with respect thereto (in the English language) will be delivered to the

Trustee along with an Officers' Certificate setting out the Fair Market Value. The Trustee may rely on such resolution and such Officers' Certificate without further enquiry and will not be responsible or liable to any Person for so doing.

3.4 Transactions with Affiliates

The Parent will not, and will not permit any of its Subsidiaries to, enter into or permit to exist any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Parent (an "Affiliate Transaction") unless:

- 3.4.1 the terms of the Affiliate Transaction are no less favourable to the Parent or such Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate; and
- 3.4.2 the Parent delivers to the Trustee with respect to any Affiliate Transaction, or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million, a resolution of the Parent's Board of Directors (in the English language) along with an Officers' Certificate certifying that such Affiliate Transaction complies with this Condition 3.4 and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Parent's Board of Directors (or, in the event there is only one disinterested member of the Parent's Board of Directors, approved by such disinterested member); *provided, however*, that the provisions of these Conditions 3.4.1 and 3.4.2 shall not apply to:
 - (i) any employment agreement, consulting agreement, employee benefit plan, officer and director indemnification agreement or any similar arrangement entered into by the Parent or any of its Subsidiaries in the ordinary course of business and compensation (including bonuses and equity compensation) paid to and other benefits (including retirement, health and other benefit plans) and indemnification arrangements provided on behalf of directors, officers, consultants and employees of the Parent or any of its Subsidiaries;
 - (ii) transactions between or among or solely for the benefit of the Parent and/or its Subsidiaries;
 - (iii) transactions with a Person that is an Affiliate of the Parent solely because the Parent owns, directly or through a Subsidiary, Capital Stock in, or controls, such Person;
 - (iv) payment of reasonable directors' fees to Persons who are not otherwise Affiliates of the Parent;
 - (v) any issuance of Capital Stock (other than Disqualified Stock) of the Parent to Affiliates of the Parent or the receipt of capital contributions by the Parent from Affiliates of the Parent;
 - (vi) Restricted Payments that do not violate the provisions of Condition 3.3 (*Limitation on Restricted Payments*) or are Permitted Investments;
 - (vii) the entering into of a tax sharing agreement, or payments pursuant thereto, between the Parent and/or one or more Subsidiaries, on the one hand, and any other Person with which the Parent or such Subsidiaries are required or permitted to file a consolidated tax return or with which the Parent or such Subsidiaries are part of a consolidated group for tax purposes, on the other hand, provided that any payments by the Parent and the Subsidiaries required under such agreement are not in excess of the tax liabilities that would have been payable by them on a stand-alone basis; or
 - (viii) agreements and arrangements, and transactions pursuant thereto, existing on the Issue Date and any amendment, extension, renewal, refinancing, modification or supplement thereof; *provided that* following such amendment, extension, renewal, refinancing, modification or supplement, the terms of any such agreement or arrangement so amended, modified or

supplemented are, on the whole, no less favourable to the Parent and its Subsidiaries, as applicable, than the original agreement or arrangement as in effect on the Issue Date.

The Trustee may rely on such resolution and such Officers' Certificate referred to in this Condition 3.4.2 without further enquiry and will not be responsible or liable to any Person for so doing.

3.5 Asset Sales

3.5.1 The Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

- (i) the Parent (or the Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Stock issued or sold or otherwise disposed of; and
- (ii) at least 75 per cent. of the consideration received in the Asset Sale by the Parent or such Subsidiary is in the form of cash, Cash Equivalents or Additional Assets. For purposes of this paragraph (ii), each of the following will be deemed to be cash:
 - (A) any liabilities, as shown on the most recent consolidated balance sheet, of the Parent or any of its Subsidiaries (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation or other agreement that releases the Parent and all Subsidiaries from liability in respect of those liabilities; and
 - (B) any securities, notes or other obligations received by the Parent or any such Subsidiary from such transferee that are converted by the Parent or such Subsidiary into cash or Cash Equivalents within 60 days, to the extent of the cash or Cash Equivalents received in that conversion.

3.5.2 Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Parent (or the applicable Subsidiary, as the case may be) may apply those Net Proceeds, at its option:

- (i) to acquire or invest in all or substantially all of the assets of, or any Capital Stock of, a Permitted Business if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary;
- (ii) (w) to repay, repurchase, prepay or redeem Indebtedness of the Parent or any of its Subsidiaries that is secured by a Lien that does not secure the Notes, (x) to repay, repurchase, prepay or redeem Indebtedness of a Subsidiary of the Parent that is not a Guarantor (other than Indebtedness owed to the Parent or any of its Subsidiaries), (y) to repay, repurchase, prepay or redeem *pari passu* Indebtedness; *provided* the Parent (or the applicable Subsidiary, as the case may be) makes (unless expressly prohibited by the credit agreement pursuant to which such Indebtedness was incurred) an offer on a pro rata basis to all holders of Notes at a purchase price equal to at least 100 per cent. of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "Notes Offer") or (z) towards the making of a Notes Offer or a redemption of the Notes pursuant to Condition 5.7 (*Redemption at Make Whole*) or Condition 5.2 (*Optional Redemption*);
- (iii) to acquire or invest in other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business, and any current asset; or
- (iv) a combination of prepayment and investment permitted by the foregoing paragraphs (i) to (iii);

provided, however, that any such acquisition or investment made pursuant to the foregoing paragraphs (i) or (iii) that is made pursuant to a definitive agreement or a commitment approved

by the Board of Directors of the Parent that is executed or approved within such time will satisfy this requirement, so long as such acquisition or investment is consummated within six months of such 365th day.

Pending the final application of any Net Proceeds, the Parent may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by these Conditions.

3.5.3 Any Net Proceeds from Asset Sales that are not applied or invested as provided in Condition 3.5.2 will constitute “**Excess Proceeds**”. On the 366th day after an Asset Sale (or such later date as is contemplated by the proviso to Condition 3.5.2), if the aggregate amount of Excess Proceeds exceeds US\$20.0 million, within 10 Business Days thereof the Parent will make an offer to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in these Conditions with respect to offers to purchase or redeem with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased with the Excess Proceeds (“**Asset Sale Offer**”). The offer price in any Asset Sale Offer will be equal to at least 100 per cent. of the principal amount of the Notes plus any accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Parent and its Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by these Conditions. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Parent will select the Notes and such other *pari passu* Indebtedness to be purchased on a pro rata basis; *provided that* Notes of US\$200,000 or less may only be purchased in whole and not in part. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

3.5.4 The Parent will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations and stock exchange rules, to the extent those laws, regulations and rules are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations or securities or investment exchange rules conflict with this Condition 3.5, the Parent will comply with the applicable laws, regulations and rules and will not be deemed to have breached its obligations under this Condition 3.5 by virtue of such conflict.

3.5.5 For the purposes of this Condition 3.5:

“**Asset Sale**” means:

- (i) the sale, lease, conveyance or other disposition of any tangible or intangible assets or rights of the Parent or a Subsidiary; and
- (ii) the issuance of Capital Stock in any Subsidiary of the Parent or the sale of Capital Stock in any of its Subsidiaries (other than directors’ qualifying shares or shares referred by applicable law to be held by a Person other than the Parent or a Subsidiary).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (i) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US\$2.0 million;
- (ii) a transfer of assets between or among the Parent and its Subsidiaries;
- (iii) an issuance of Capital Stock by a Subsidiary of the Parent to the Parent or to a Subsidiary of the Parent;
- (iv) the sale, lease, conveyance or disposition of assets (including, for the avoidance of doubt, inventory or stock-in-trade, products, services or accounts receivable and

licensing of rights) in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets in the ordinary course of business;

- (v) the sale or other disposition of cash or Cash Equivalents or VAT Instruments;
- (vi) the creation of a Lien;
- (vii) a Payment that does not violate Condition 3.3 (Limitation on Restricted Payments) or is a Permitted Investment;
- (viii) the waiver, compromise, settlement, release or surrender of any right or claim in the ordinary course of business; and
- (ix) the sale or other disposition or assets received by the Parent or any of its Subsidiaries in compromise or settlement of claims of the Parent or any of its Subsidiaries.

“Additional Assets” means:

- (i) any property, plant or equipment used in a Permitted Business;
- (ii) the Capital Stock of a Person that becomes a Subsidiary as a result of the acquisition of such Capital Stock by the Parent or another Subsidiary;
- (iii) Capital Stock constituting a minority interest in any Person that at such time is either (i) a Subsidiary or (ii) a Permitted Investment;

provided, however, that any such Subsidiary described in paragraphs (i) or (iii) above is primarily engaged in a Permitted Business.

3.6 Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries

3.6.1 The Parent will not, and will not permit any Guarantor to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Guarantor to:

- (i) pay dividends or make any other distributions on its Capital Stock to the Parent or any Guarantor, or with respect to any other interest or participation in, or measured by, its profits; or
- (ii) pay any indebtedness owed to the Parent or any Guarantor; or
- (iii) make loans or advances to the Parent or any Guarantor; or
- (iv) transfer any of its properties or assets to the Parent or any Guarantor.

3.6.2 However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (i) the Notes or these Conditions (including any Additional Notes) and the Guarantees;
- (ii) any applicable law, rule, regulation or order;
- (iii) any encumbrance or restriction pursuant to an agreement in effect on or entered into on the Issue Date and any renewal or replacement thereof, provided, that the encumbrance or restrictions contained in such renewal or replacement are no less favourable to Noteholders than the encumbrance or restriction in effect or entered into on the Issue Date;
- (iv) any instrument governing Indebtedness of a Person acquired by the Parent or any Guarantor, as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition),

which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of these Conditions to be incurred;

- (v) customary non-assignment provisions in leases, security agreements, contracts and licenses entered into in the ordinary course of business and non-assignment clauses with respect to export contracts;
- (vi) purchase money obligations for property acquired in the ordinary course of business and Lease Obligations that impose restrictions on the property purchased or leased of the nature described in paragraph (iv) of the foregoing Condition 3.6.1;
- (vii) any agreement for the sale or other disposition of a Guarantor that restricts distributions by that Guarantor pending the sale or other disposition;
- (viii) Refinancing Indebtedness permitted to be incurred under paragraph (iii) of Condition 3.2.2; provided that the restrictions and encumbrances contained in the agreements governing such Refinancing Indebtedness are either (i) no more restrictive or (ii) not materially less favourable to Noteholders in each case, taken as a whole and determined in good faith by the Board of Directors, than the dividend and other payment restrictions contained in the Indebtedness being Refinanced;
- (ix) Liens (including Permitted Liens) permitted to be incurred under the provisions of Condition 3.1 (*Limitation on Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens;
- (x) customary provisions limiting the disposition or distribution of Capital Stock, assets or property in joint venture agreements, merger agreements, asset sale agreements, sale-leaseback agreements, share sale agreements and other similar agreements entered into with the approval of the Board of Directors, which limitation is applicable only to the Capital Stock, assets or property that are the subject of such agreements;
- (xi) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
- (xii) any encumbrance or restriction applicable to a Guarantor at the time it becomes a Guarantor that is not created in contemplation thereof; *provided that* such restriction applies only to such Guarantor and provided further that the exception provided by this paragraph (xii) shall not apply to any encumbrance or restriction contained in any Indebtedness that refunds, refinances, replaces, defeases or discharges any Indebtedness which was in existence at the time such Guarantor became a Guarantor; and
- (xiii) encumbrances and restrictions arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Condition 3.2 (*Limitation on Incurrence of Indebtedness*) if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Parent) and the Parent determines that such encumbrance or restriction will not materially affect the Issuer's ability to make principal, premium (to the extent premium, if any, is required to be paid under these Conditions) or interest payments on the Notes as and when they become due.

3.7 Merger, Consolidation or Sale of Assets

- (a) The Issuer may not, directly or indirectly, (i) merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation); or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer, in one or more related transactions, to another Person; unless:

- (i) either (a) the Issuer is the surviving corporation or (b) the Person formed by or surviving any such merger, consolidation, amalgamation or other combination (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organised or existing under the laws of any member state of the European Union, the Republic of Moldova, Switzerland or any state of the United States or the District of Columbia;
- (ii) the Person formed by or surviving any such merger, consolidation, amalgamation or other combination (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Notes and the Trust Deed; and
- (iii) immediately after such transaction, the Issuer or such surviving Person certifies to the Trustee that (i) no Potential Event of Default or Event of Default exists or will exist as a result thereof and (ii) the transaction complies with these Conditions (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability to any person).

In addition, the Issuer may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

- (b) A Guarantor may not sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Guarantor, the Parent and Subsidiaries, taken as a whole, in one or more related transactions, to another Person;
- (c) A Guarantor may not directly or indirectly consolidate or merge with or into another Person, unless:
 - (i) immediately after such transaction, such Guarantor certifies to the Trustee that no Potential Event of Default or Event of Default exists or will exist as a result thereof (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability to any person);
 - (ii) such Guarantor is the surviving corporation; and
 - (iii) the Parent and its Subsidiaries:
 - (A) will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable EBITDA Calculation Period, be permitted to incur at least US\$1.00 of additional Indebtedness pursuant to Condition 3.2.1;
 - (B) will (either directly or through its Subsidiaries), on the date of such transaction after giving effect thereto, retain all material licenses and other authorisations reasonably required to operate its business as it was conducted prior to such transaction; and
 - (C) furnishes to the Trustee an Officers' Certificate confirming that the transaction complies with these Conditions.

This Condition 3.7 will not apply to (i) a merger between or among the Parent and any of its Subsidiaries (so long as no Capital Stock of the Parent is distributed to any Person) or (ii) between or among any Guarantors.

3.8 Claims Pari Passu

The Issuer and each Guarantor shall ensure that at all times the claims of the Secured Creditors against them rank at least as set out in Condition 2.4 (*Status*), save for those claims that are limited by the limitations as set out in the Trust Deed or that are preferred by any bankruptcy, insolvency, liquidation or similar laws of general application or any other mandatory provisions of applicable law.

3.9 Change of Business

The Parent shall not, and shall procure that the Subsidiaries do not, make any material change to the Permitted Business.

3.10 Additional Guarantees

3.10.1 In the event that the total net assets or EBITDA of any of its Subsidiaries that is not a Guarantor, determined on an unconsolidated basis in accordance with IFRS for, or as at the end of, the Parent's most recently completed fiscal semi-annual period, accounts for 10 per cent. or more of the Group's total net assets or the Consolidated EBITDA, respectively, in each case determined on a consolidated basis in accordance with IFRS for, or as at the end of, such period, the Parent shall, within 90 days of the date the financial statements for such fiscal semi-annual period are made publicly available, cause the relevant Subsidiary to execute and deliver to the Trustee and the Security Trustee an Additional Guarantee, pursuant to which such Subsidiary will, unconditionally and irrevocably, jointly and severally with all other Non-Ukrainian Guarantors or the Sureties, as the case may be, guarantee or provide a suretyship in respect of, all moneys payable under the Notes, the Trust Deed and the Suretyship Agreement; and

3.10.2 the Parent shall ensure that on the Issue Date and on each relevant date thereafter that:

- (i) the combined EBITDA (determined separately and without double counting (for the avoidance of doubt, all intra-group items and Investments in Subsidiaries of or by the Parent or any of its Subsidiaries shall be excluded)) for the most recently ended fiscal semi-annual period of the Parent and the Guarantors shall equal or exceed 75.0 per cent. of the Consolidated EBITDA for such fiscal semi-annual period; and
- (ii) the consolidated total net assets (determined separately, without double counting (for the avoidance of doubt, all intra-group items and Investments in Subsidiaries of or by the Parent or any of its Subsidiaries shall be excluded)) as of the last day of the most recently ended fiscal semi-annual period of the Parent and the Guarantors shall equal or exceed 75.0 per cent. of the consolidated total net assets of the Parent as of such date,

provided, however, that, for purposes of the calculation of the thresholds set out above and delivery of the certificate required by Condition 3.11.3 for the most recently ended fiscal semi-annual period,

- (a) acquisitions by the Parent or any of its Subsidiaries of business entities or property and assets of any Person, including through mergers or consolidations, or by any Person or any of its subsidiaries which are acquired by the Parent or any of its Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries, during or subsequent to the two fiscal semi-annual periods (the "**Calculation Period**") preceding such date of calculation and on or prior to such date of calculation, or that are to be made on such date of calculation, will be given pro forma effect (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) and may include anticipated synergies, benefits and expense and cost reductions (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) as if they had occurred on the first day of such EBITDA Calculation Period;
- (b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with the Accounting Standards, and operations or businesses (and ownership interests therein) disposed of prior to such date of calculation, will be excluded; and
- (c) any Person that is a Subsidiary on the date of calculation will be deemed to have been a Subsidiary at all times during such Calculation Period.

by causing, if necessary, one or more of its Subsidiaries that are not Guarantors to become Guarantors to the extent necessary to ensure the foregoing thresholds are met within 180 days of the date of delivery of financial statements referred to above. A Subsidiary that is not a Guarantor may become

a Guarantor if it executes and delivers to the Trustee and the Security Trustee a deed supplemental to the Trust Deed (in the case of a Subsidiary organised outside of Ukraine) or delivers to the Trustee and the Security Trustee a deed of accession to the Suretyship Agreement (in the case of a Subsidiary organised inside Ukraine), as the case may be, pursuant to which such Subsidiary will guarantee, or provide a suretyship in respect of, the payment of the Notes on the terms and conditions set forth in these Conditions, the Trust Deed and the Suretyship Agreement, as applicable, and, in the case of a Subsidiary that is organised inside Ukraine, a deed supplemental to the Trust Deed, pursuant to which it will enter into contractual arrangements with the Trustee and the Security Trustee;

provided, in the case of each of Conditions 3.10.1 and 3.10.2 above, that:

- (i) a Subsidiary will not be required to become an Additional Guarantor if by entering into such guarantee or by providing such suretyship (x) the Subsidiary would violate applicable law or (y) would breach the provisions of, be in default under, or require the consent of any third party to a waiver of the terms of, or subject the officers, directors or shareholders of such Subsidiary to liability under, any contract to which the Subsidiary is a party provided such violation, breach, requirement for consent or liability cannot be prevented or otherwise avoided or, in the case of consent, be obtained through measures reasonably available to the Parent and/or the Subsidiary; this proviso (i) shall not apply to Condition 3.10.1 if, at any time after the Parent has become obliged to procure a Guarantee from such Subsidiary pursuant to Condition 3.10.1, such Subsidiary Incurs any Indebtedness (other than any Refinancing Indebtedness); and
- (ii) a Subsidiary's Guarantee may be limited to the extent required by law or regulation for the guarantee or suretyship (as the case may be) to be lawful or enforceable under applicable law.

At the time of execution of any Additional Guarantee, the Parent shall deliver an Opinion of Counsel addressed to the Trustee and the Security Trustee that the Guarantee is legal, valid, binding and enforceable in accordance with its terms.

- 3.10.3 Each Additional Guarantee shall provide that, until all amounts which may be or become payable by the Parent and the Guarantors under the Notes have been irrevocably paid in full, and to the extent lawful, the Guarantor waives, and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent or any of its Subsidiaries as a result of any payment by such Guarantor under its Guarantee.
- 3.10.4 Each such Guarantee will be released under the circumstances set out under Condition 2.3 (*Release of the Guarantees*).

3.11 Reports

- 3.11.1 The Parent shall deliver to the Trustee and publish, in a manner permitted by the rules of the Stock Exchange, as they become available, but in any event within 120 days after the end of its financial year, (i) copies of the Parent's consolidated financial statements for the most recent financial year, audited by the Auditors (and including their report) and prepared in accordance with Accounting Standards, including corresponding financial statements for the preceding financial year, (ii) information with respect to any Change of Control that has occurred in the financial year, (iii) information with respect to any change in the Auditors of the Parent and any resignation of a member of the Board of Directors of the Parent as a result of a disagreement with the Parent during the period, (iv) information as to the Fixed Charge Coverage Ratio of the Parent and its Subsidiaries and the Consolidated Net Leverage Ratio, for and as of the end of such financial year, in each case calculated by the responsible financial officer of the Parent in good faith.
- 3.11.2 The Parent shall as soon as the same become available, but in any event within 90 days after the end of each of the first half of each financial year, deliver to the Trustee and publish, in a manner permitted by the rules of the Stock Exchange, (i) the Parent's unaudited consolidated financial

statements for such period, (ii) information with respect to any Change of Control that has occurred in such six-months period, (iii) information with respect to any change in the Auditors of the Parent and any resignation of a member of the Board of Directors of the Parent as a result of a disagreement with the Parent during the period and (iv) information as to the Fixed Charge Coverage Ratio of the Parent and its Subsidiaries and the Consolidated Net Leverage Ratio, for and as of the end of such six months period, in each case calculated by the responsible financial officer of the Parent in good faith.

- 3.11.3 The Parent shall deliver to the Trustee at the time of delivery of any financial statements pursuant to Condition 3.11.1 and within 14 days of any request by the Trustee, an Officers' Certificate certifying which subsidiaries are Material Subsidiaries and which are Guarantors along with the calculations required to evidence compliance with Condition 3.10.1.
- 3.11.4 The Parent shall ensure that each set of consolidated financial statements delivered by it pursuant to Condition 3.11.1 is accompanied by a report thereon of the Auditors referred to in Condition 3.11.1 (including opinions of such Auditors with accompanying notes and annexes).
- 3.11.5 The Parent shall, within 14 days of any request by the Security Trustee, supply to the Security Trustee such information as the Security Trustee may reasonably require and in addition such information regarding compliance by the Pledgors with the terms of any Security Documents as the Security Trustee may reasonably require.
- 3.11.6 The Issuer undertakes to furnish such information as the Stock Exchange may require as necessary in connection with the listing or admission to trading at the same time as such information is provided to the Stock Exchange.
- 3.11.7 Contemporaneously with the provision of the information referred to in Condition 3.11.4 above, the Parent will also either provide the information to a Regulatory News Service or file a press release with the appropriate internationally recognised wire services with respect to such information and post such press release on the Parent's website.
- 3.11.8 Each of the Issuer and the Guarantors will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of a Note which is a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such Note designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

The Trustee shall have no obligation to read or analyse any information or report delivered to it under this Condition and shall have no obligation to determine whether any such information or report complies with the provisions of this Condition and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

3.12 Payments for Consent

The Parent will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of these Conditions, the Suretyship Agreement, the Trust Deed or any other Security Document unless such consideration is offered to be paid to all Holders of Notes that consent, waive or agree to amend in the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement.

3.13 Preservation of the Secured Property

No Pledgor will (and the Parent shall procure that no other member of the Group will):

- 3.13.1 sell, assign, convey, transfer, lease or otherwise dispose, directly or indirectly, of the Secured Property and will not otherwise cease to own and hold the Secured Property; and
- 3.13.2 create, incur, assume or, at any time after completion of the Security Conversion, suffer to exist any Lien (other than the Security) on all or part of the Secured Property,
- in each case, other than in connection with any issuance of (i) Additional Notes pursuant to Condition 15 or (ii) Refinancing Capital Markets Indebtedness.

3.14 Perfection of Security

- 3.14.1 Each Pledgor shall (and the Parent shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may require:
- (i) to perfect or protect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage charge, assignment or other Lien over the Secured Property) or for the exercise of any rights, powers and remedies of the Security Trustee or the Secured Creditors provided by or pursuant to the Conditions, the Suretyship Agreement, the Agency Agreement, the Trust Deed or any other Security Document; and
 - (ii) upon the Security becoming enforceable, to facilitate the enforcement of the Security and/or realisation of the Secured Property and the exercise of the functions of the Security Trustee or any Receiver of any such Secured Property.
- 3.14.2 Each Pledgor shall (and the Parent shall procure that each other member of the Group will) take all such action (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee by or pursuant to the Security Documents.
- 3.14.3 Each Pledgor shall (and the Parent shall procure that each other member of the Group will) before the Conversion Deadline:
- (i) take all such action (including discharging the Existing Pledges and Existing Mortgages, as the case may be, and making all filings and registrations) as may be necessary to ensure that the Security ranks first in priority to any other Lien on all or any part of the Secured Property (the “**Security Conversion**”); and
 - (ii) deliver to the Trustee and the Security Trustee copies of the relevant documents (including excerpts from the registries of immovable assets as applicable) evidencing the Security Conversion together with an Officers’ Certificate confirming that the Security Conversion has been completed (the “**Security Conversion Documents**”).
- 3.14.4 The Parent shall, promptly after the Security Conversion Documents are delivered to the Trustee and the Security Trustee, give notice to the Noteholders confirming the completion of the Security Conversion.
- 3.14.5 In the event that the Security Conversion has not been completed by the Conversion Deadline, the Parent shall give notice in writing to the Trustee and the Security Trustee confirming the same.
- 3.14.6 The Parent and the Subsidiaries may Incur Permitted Liens and the Security may be discharged, transferred or released in accordance with these Conditions, the Trust Deed and the applicable Security Documents. Notwithstanding the above, nothing in this Condition 3.14 shall restrict the discharge and release of any security interest in accordance with these Conditions, the Trust Deed and the applicable Security Document. Subject to the foregoing, the Security Documents may, without the Security Trustee needing to receive any further instruction from any person, be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) add to

the Security; or (ii) provide for Permitted Liens that are incurred pursuant to limbs (iv), (vii), (viii), (ix), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) or (xxiii) (in the case of (xxiii), only to the extent it related to any extension, renewal or replacement of a Permitted Lien made pursuant to any of the foregoing) of the definition thereof; *provided, however, that*, except where otherwise permitted by these Conditions, the Trust Deed and the relevant Security Document, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), other than as specified in clause (i) or (ii) above or pursuant to Clause 3.14.7 below.

3.14.7 Additionally the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) provided that contemporaneously with such amendment, extension, renewal, restatement, supplement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Parent delivers to the Security Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Parent and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets) or (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting the security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); together with, in either case, (3) a certificate setting out the basis on which such amendment, extension, renewal, restatement, supplement or modification or release is required. Upon the receipt of the certificate specified under limb (3) above, the Security Trustee shall enter into any documentation related to such amendment, extension, renewal, restatement, supplement or modification or release without the need for any further instruction from any person; *provided* that the Security Trustee shall not be obliged to enter into such documentation which, in the sole opinion of the Security Trustee, would have the effect of (a) exposing the Security Trustee, to any liability against it which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Security Trustee, in the Contracts.

4 Interest

The Notes bear interest from the Issue Date at the rate of 11.125 per cent. per annum, payable semi-annually in arrear on 20 May and 20 November in each year (each an “**Interest Payment Date**”) beginning on 20 May 2025. Each Note will cease to bear interest from the due date for redemption, unless, upon due presentation, payment of principal and any premium (to the extent premium, if any, is required to be paid under these Conditions) is improperly withheld or refused. In such event, it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder and (b) the day seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**”.

5 Redemption and Purchase

5.1 Redemption at Maturity

5.1.1 Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 20 November 2029 (the “**Maturity Date**”).

5.1.2 Other than as specified below, the Notes are not optionally redeemable until the Maturity Date.

5.2 Optional Redemption

On or after 20 November 2026, the Issuer may redeem the Notes in whole but not in part, on giving not less than 15 nor more than 30 days’ irrevocable notice to Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee and the Agents, at the redemption prices (expressed as percentages of the principal amount of the Notes) set forth below, plus accrued and unpaid interest to (but excluding) the applicable redemption date, if redeemed during the periods indicated below:

Period	Percentage
Twelve-months beginning on 20 November 2026	105.56250 per cent.
Twelve-months beginning on 20 November 2027	102.78125 per cent.
Twelve-months beginning on 20 November 2028	100.00000 per cent.

5.3 Optional Redemption in the Event of an Equity Offering

5.3.1 At any time prior to 20 November 2026, upon not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee and the Agents, the Issuer will be entitled at its option on one or more occasions to redeem the Notes (including any Additional Notes) in an aggregate principal amount not to exceed 40 per cent. of the aggregate principal amount of the Notes (including any Additional Notes) originally issued at a redemption price (expressed as a percentage of the principal amount of the Notes) of 111.125 per cent., plus accrued and unpaid interest to (but excluding) the redemption date, with the Net Cash Proceeds from one or more Equity Offerings; provided, however, that:

- (i) at least 60 per cent. of such aggregate principal amount of Notes (including any Additional Notes) originally issued remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Parent or any Subsidiaries); and
- (ii) each such redemption occurs within 60 days after the date of the related Equity Offering.

5.3.2 Notices of redemption delivered in accordance with this Condition 5.3 will specify (i) the date fixed for redemption, (ii) the amount to be redeemed (which shall be limited by the provisions of Condition 5.3.1) and (iii) the applicable redemption price (determined in accordance with Condition 5.3.1). No such notice of redemption may be given by the Issuer unless it shall have delivered to the Trustee an Officers’ Certificate (upon which the Trustee may rely absolutely without further enquiry and without liability to any person) that it will have the funds, not subject to the interest of any other person, required to redeem the Notes at the redemption price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, on the date specified for redemption. Upon the expiry of any notice of redemption delivered in accordance with this Condition 5.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.3.

5.4 Redemption at the Option of the Holders Upon a Change of Control

5.4.1 Upon the occurrence of any of the following events (each a “**Change of Control**”), each Noteholder shall have the right to require that the Issuer repurchase such Noteholder’s Notes at a purchase price

in cash equal to 100 per cent. of their principal amount on the date of purchase plus accrued and unpaid interest, if any, to (but excluding) the date of purchase:

- (i) (A) any “person” or “group” (within the meaning of Sections 13(d) or 14(d) of the Exchange Act but excluding any Subsidiary) other than Permitted Holders has become, directly or indirectly, the beneficial owner, by way of merger, consolidation or otherwise, of more than 50 per cent. of the voting power of the Voting Stock of the Parent on a fully-diluted basis, after giving effect to the conversion and exercise of all outstanding warrants, options and other securities of the Parent convertible into or exercisable for Voting Stock of the Parent (whether or not such securities are then currently convertible or exercisable) and (B) the Permitted Holders, together, beneficially own less; or
- (ii) during any consecutive two-year period following the date the Permitted Holders cease to beneficially own, directly or indirectly, more than 50 per cent. of the voting power of the Voting Stock of the Parent, Continuing Directors cease to constitute a majority of the members of the Board of Directors of the Parent; or
- (iii) the adoption of a plan relating to the liquidation or dissolution of the Parent; or
- (iv) the Parent consolidates with, or merges into another Person, or another Person merges or consolidates with or into the Parent (other than a Person that is controlled by the Permitted Holders), other than (A) in a transaction following which securities representing 100 per cent. of the Voting Stock of the Parent immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) constitute at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation or (B) any other such merger, consolidation or sale of assets in accordance with Condition 3.7 (*Merger, Consolidation or Sale of Assets*).

5.4.2 Promptly, and in any event within five days after becoming aware of the occurrence of any Change of Control, the Parent shall deliver to the Issuer and the Trustee a written notice in the form of an Officers’ Certificate, which notice shall be irrevocable and upon which the Trustee may rely absolutely without further enquiry and without liability to any person, stating that a Change of Control has occurred and the circumstances and relevant facts giving rise to such Change of Control.

5.4.3 Promptly, and in any event within 30 days upon the Issuer becoming aware of any Change of Control (either by receiving the written notice referred to in Condition 5.4.2 above or otherwise), the Issuer will give notice in accordance with Condition 16 (*Notices*) to each Noteholder with a copy to the Trustee (the “**Change of Control Offer**”) stating:

- (i) that a Change of Control has occurred and that such Noteholder has the right to require the Issuer to purchase such Noteholder’s Notes at a purchase price in cash equal to 100 per cent. of their principal amount (the “**Change of Control Payment**”) on the date of purchase specified in such notice (the “**Change of Control Payment Date**”), plus accrued and unpaid interest, if any, to (but excluding) the Change of Control Payment Date;
- (ii) the circumstances and relevant facts regarding such Change of Control (including information with respect to *pro forma* historical income, cash flow and capitalisation, in each case after giving effect to such Change of Control);
- (iii) the Change of Control Payment Date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and
- (iv) the instructions, as determined by the Issuer, consistent with this Condition 5.4, that a Noteholder must follow in order to have its Notes purchased.

5.4.4 On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (ii) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (iii) deliver or cause to be delivered to the Principal Paying Agent the Notes properly accepted together with an Officers' Certificate (co-addressed to the Trustee) stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Principal Paying Agent will promptly pay to each Holder of Notes properly tendered the Change of Control Payment for such Notes, cause to be authenticated and mailed to each Holder a new certificate equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each new Note or Notes will be in a principal amount of US\$200,000 or an integral multiple of US\$1,000 above US\$200,000 and the Holder has tendered its old Definitive Note(s) for cancellation.

The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

- 5.4.5 The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.
- 5.4.6 The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue of its compliance with such securities laws or regulations.
- 5.4.7 The provisions described in this Condition 5.4 that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of these Conditions are applicable.

5.5 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 16 (*Notices*) and to the Trustee and the Agents, at their principal amount (together with any premium (to the extent premium, if any, is required to be paid under these Conditions) and accrued and unpaid interest to (but excluding) the date fixed for redemption) if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) it (or, if the Guarantees were called, one or more of the Guarantors) has or will become obliged to pay Additional Amounts (as defined in Condition 7 (*Taxation*) and/or as provided for, or referred to, in any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*)) as a result of any change in, or amendment to, the laws or regulations of Ireland (in the case of a payment by the Issuer) and/or the Relevant Jurisdiction of the Guarantor (in the case of a payment by that Guarantor) and/or any other taxing jurisdiction that the Issuer or the relevant Guarantor is, or would at the time of the relevant payment be, subject to and/or, in each case, any political or governmental subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date, and (ii) such obligation cannot be avoided by

the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it or them (as the case may be), *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor(s), as the case may be) would be obliged to pay such Additional Amounts were a payment in respect of the Notes (or the Guarantees, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (A) an Opinion of Counsel that the requirement in (i) above has applied or will apply and (B) an Officers' Certificate signed by two directors of the Issuer (or the relevant Guarantor(s), as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it or them (as the case may be) and the Trustee shall be entitled to accept, without further enquiry and without liability to any person, such opinion and certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders.

5.6 Redemption at the Option of Noteholders upon a Put Event

If a Put Event occurs, the holder of each Note will have the option (a "**Put Option**") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Conditions 5.3 (*Optional Redemption in the event of an Equity Offering*), 5.5 (*Redemption for Taxation Reasons*) or 5.7 (*Redemption at Make Whole*) to require the Issuer to redeem that Note on the Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Put Date.

Promptly upon the Parent becoming aware that a Put Event has occurred the Parent shall, give notice (a "**Put Event Notice**") to the Noteholders specifying that the Put Event has occurred and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver such Note to the specified office of the Principal Paying Agent at any time during normal business hours of the Principal Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Principal Paying Agent (a "**Put Notice**"). The Principal Paying Agent will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, on the Put Date by transfer to the bank account specified by the holder in the Put Notice. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 5.6 shall be treated as if they were Notes. Provided that the Notes that are the subject of such Put Notice have been delivered to the Principal Paying Agent prior to the expiry of the Put Period, then the Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the date falling five Business Days after the expiration of the Put Period (the "**Put Date**") unless previously redeemed (or purchased) and cancelled.

5.7 Redemption at Make Whole

At any time prior to 20 November 2026, the Issuer may, at its option, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (the "**Call Option Notice**") in accordance with Condition 16 (*Notices*) and to the Trustee and the Agents redeem the Notes in whole but not in part, at the price which shall be the following (as calculated by the Issuer):

- 5.7.1 the aggregate principal amount of the outstanding Notes; plus
- 5.7.2 accrued but unpaid interest to but excluding the date on which the call option is to be settled (the "**Call Settlement Date**"); plus
- 5.7.3 the Make Whole Premium.

The Call Option Notice shall specify the Call Settlement Date.

For the purposes of this Condition 5.7:

"**Make Whole Premium**" means, at any time, the excess of:

- (i) the present value at the Call Settlement Date of (A) the redemption price at 20 November 2026 expressed in U.S. dollars of the principal amount of Notes being redeemed, plus (B) any required interest payments that would otherwise be due to be paid on such principal amount of Notes from the Call Settlement Date through to 20 November 2026, calculated using a discount rate equal to the Treasury Rate at the Call Settlement Date plus 50 basis points, *over*
- (ii) the aggregate principal amount of Notes being redeemed at the Call Settlement Date,

provided that if the value of the Make Whole Premium at any time would otherwise be less than zero, then in such circumstances, the value of the Make Whole Premium will be equal to zero.

“**Treasury Rate**” means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity most nearly equal to the period from the Call Settlement Date to 20 November 2026. The Parent will obtain such yield to maturity from information compiled and published in the most recent Federal Reserve Statistical Release H.15 which has become publicly available at least two Business Days (but not more than five Business Days) prior to the Call Settlement Date (or, if such Statistical Release is not so published or available, any publicly available source of similar market data selected by the Parent in good faith)); provided, however, that if the period from the Call Settlement Date to 20 November 2026 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Call Settlement Date to 20 November 2026 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

5.8 Purchases

The Issuer, the Guarantors or any Subsidiaries may at any time purchase Notes in any manner and at any price. The Notes so purchased, while held by or on behalf of any of them, shall not entitle them to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of, inter alia, calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8 (*Events of Default*), 11.1 (*Meetings of Noteholders*) and 13 (*Enforcement*).

5.9 Notices

Any notices of redemption given pursuant to Condition 5 may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent (including, without limitation, that the Issuer has received or any Paying Agent has received from the Issuer sufficient funds to pay the full redemption price payable to Holders on or before the relevant redemption date).

5.10 Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantors or any of their respective Subsidiaries may be surrendered for cancellation by surrendering the individual certificate representing such Notes to the Registrar and Transfer Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (such Notes being the “**Cancelled Notes**”). Any Cancelled Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantors in respect of any such Cancelled Notes shall be discharged. For the avoidance of doubt, the obligations of the Issuer and the Guarantors in relation to any remaining Notes which are not Cancelled Notes shall remain notwithstanding the surrender and cancellation of the Cancelled Notes.

6 Payments

6.1 Method of Payment:

- 6.1.1 Payments of principal shall be made (subject to surrender of the relevant Definitive Notes at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Definitive Notes) in the manner provided in Condition 6.1.2 below.

- 6.1.2 Interest on each Note shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made in U.S. Dollars by transfer to an account in U.S. Dollars maintained by the payee with a bank.
- 6.1.3 If the amount of principal being paid upon surrender of the relevant Definitive Note is less than the outstanding principal amount of such Definitive Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Note with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

6.2 Payments subject to Laws: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.3 Payment Initiation: Where payment is to be made by transfer to an account in the U.S. dollars, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Definitive Note has not been surrendered at the specified office of any Transfer Agent or the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Definitive Note is surrendered.

6.4 Appointment of Agents: The Paying Agents, the Transfer Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Paying Agents, the Transfer Agent and the Registrar act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Paying Agents, the Transfer Agent and the Registrar and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by the Stock Exchange, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

6.5 Delay in Payment: Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day, if the Noteholder is late in surrendering or cannot surrender its Definitive Note (if required to do so).

6.6 Non-Business Days: If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 6, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place(s) of the specified office of the Principal Paying Agent and, in the case of payment by transfer to a U.S. Dollar account as referred to above, on which dealings in foreign currencies may be carried on both in New York City and in such other place.

7 Taxation

All payments of principal, premium (to the extent premium, if any, is required to be paid under these Conditions) and interest (or any other payment made under these Conditions) by or on behalf of the Issuer or the Guarantors in respect of the Notes or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland (in the case of payments by the Issuer) or the Relevant Jurisdiction of the relevant Guarantor (in the case of payments by that Guarantor) or any authority therein or thereof having power to tax (“**Taxes**”), unless such withholding or deduction is required by law. In the event of such withholding or deduction, the Issuer (or, as the case may be, the Guarantors) shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had

no such withholding or deduction been required (“**Additional Amounts**”), except that no Additional Amounts shall be payable in respect of any Note presented for payment:

- 7.1.1 by or on behalf of a Noteholder who is liable to such Taxes in respect of such Note by reason of his having some connection with Ireland (in the case of payments by the Issuer) or the Relevant Jurisdiction of the relevant Guarantor (in the case of payments by that Guarantor) other than the mere holding of the Note; or
- 7.1.2 more than 30 days after the Relevant Date, except to the extent that the Noteholder of it would have been entitled to such Additional Amounts on presenting such Note for payment on the last day of such period of 30 days; or
- 7.1.3 by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

Notwithstanding anything to the contrary in the preceding paragraph, none of the Issuer, any Guarantor or any Paying Agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any treaty, law, regulation or other official guidance promulgated under or implementing FATCA, or any intergovernmental agreement enacted by any Relevant Jurisdiction implementing FATCA, or any agreement between the Issuer and the United States or any authority thereof implementing FATCA.

“**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders. Any reference in these Conditions to principal, premium and/or interest shall be deemed to include, without duplication, any Additional Amounts in respect of principal, premium or interest (as the case may be) which may be payable under this Condition 7 or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

If any of the events described in Conditions 8.1 through 8.13 (each, an “**Event of Default**”) shall have occurred and be continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, give written notice (the “**Acceleration Notice**”) to the Issuer, the Guarantors and the Security Trustee that the Notes are, and they shall immediately become, due and payable at their principal amount, together with any premium (to the extent premium, if any, is required to be paid under these Conditions) and accrued and unpaid interest and/or instruct the Security Trustee to enforce the Security. The Security shall become enforceable upon the delivery of an Acceleration Notice by the Trustee.

8.1 Non-Payment

Default is made in the payment of principal, premium (to the extent premium, if any, is required to be paid under these Conditions) or interest on any of the Notes when due and, in the case of interest, such failure continues for a period of ten days; or

8.2 Breach of Other Obligations

The Issuer or any Guarantor fails to (i) comply with the provisions of Condition 3.7 (*Merger, Consolidation or Sale of Assets*), or (ii) (except in the case of Conditions 3.14.3 and 3.14.4) perform or comply with any of its obligations under the Notes, the Suretyship Agreement, the Trust Deed or any other Security Document, as the case may be, and except where such failure is not, in the opinion of the Trustee, capable of remedy, such failure remains unremedied for 30 days after written notice thereof, addressed to the Issuer or the relevant Guarantor, has been delivered by or on behalf of the Trustee to the Issuer or the relevant Guarantor, as the case may be; or

8.3 Cross-Payment and Cross-Acceleration

(i) Any other present or future Indebtedness of the Parent or any of its Subsidiaries becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Parent or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness, *provided that* the aggregate amount of the relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8.3 have occurred equals or exceeds US\$10.0 million or its equivalent in any other currency or currencies (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

8.4 Enforcement Proceedings

A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any the property, assets or revenues of the Parent or any of its Subsidiaries that is a Material Subsidiary (but not if the value of such property, assets or revenues does not exceed US\$10.0 million) and is not discharged or stayed within 60 days; or

8.5 Security Enforced

Any expropriation, nationalisation, attachment, sequestration, execution or distress is levied against, or an encumbrance takes possession of or sells property, undertaking, revenues or assets of the Parent or any of its Subsidiaries (but not if the value of such property, undertaking, assets or revenues does not exceed US\$10.0 million); or

8.6 Judgment Default

Any one or more judgments, rulings, awards, ordinances or orders is made against the Parent or any of its Subsidiaries involving an aggregate liability not paid or fully covered by insurance in respect of a matter (or a series of related matters) greater than US\$10.0 million or its equivalent in any other currency or currencies (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) and remains outstanding for more than 60 days of their being made unless being appealed in good faith; or

8.7 Insolvency

- 8.7.1 (A) the Parent or any of its Subsidiaries that is a Material Subsidiary seeking, consenting or acquiescing in the introduction of proceedings for its liquidation or bankruptcy or the appointment to it of a liquidator, interim or permanent insolvency administrator or a similar officer; (B) the presentation or filing of a petition in respect of the Parent or any of its Subsidiaries that is a Material Subsidiary in any court, arbitration court or before any agency for its bankruptcy, insolvency, dissolution or liquidation which, in the case of a petition presented or filed by a Person other than the Parent, or such Subsidiary or Subsidiaries, as the case may be, is not dismissed within 60 days; (C) the institution of supervision, external management, examinership or bankruptcy management to the Parent or any of its Subsidiaries that is a Material Subsidiary; (D) the convening of a meeting of creditors generally of the Parent or any of its Subsidiaries that is a Material Subsidiary for the purposes of considering an amicable settlement with its creditors generally; and/or (E) any extra judicial liquidation or analogous act in respect of the Parent or any Material Subsidiary by any governmental agency with jurisdiction over it; or
- 8.7.2 the Parent or any of its Subsidiaries that is a Material Subsidiary: (A) fails or is unable to pay its debts generally as they become due; (B) consents by answer or otherwise to the commencement against it of an involuntary case in bankruptcy or to the appointment of a custodian of it or of a substantial part of its property;
- 8.7.3 a court of competent jurisdiction enters an order for relief or a decree in an involuntary case in bankruptcy or for the appointment of a custodian in respect of the Parent or any of its Subsidiaries that is a Material

Subsidiary or any part of their respective property and such order or decree remains undischarged for a period of 60 days; or

8.7.4 the shareholders of the Parent or any of its Subsidiaries that is a Material Subsidiary or any group of Subsidiaries that, taken together, would constitute a Material Subsidiary, approve any plan for the liquidation or dissolution of the Parent or such Subsidiary.

8.8 Winding-up

An administrator or a receiver is appointed, an order is made or an effective resolution passed for the winding-up, dissolution, administration or receivership of the Parent or any of its Subsidiaries that is a Material Subsidiary, or the Parent or any of its Subsidiaries that is a Material Subsidiary or any group of Subsidiaries that, taken together, would constitute a Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Subsidiary that is a Material Subsidiary or any group of Subsidiaries that, taken together, would constitute a Material Subsidiary, whereby the undertaking and assets of such Subsidiary or Subsidiaries are transferred to or otherwise vested in the Parent or any of its Subsidiaries; or

8.9 Authorisation and Consents

Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and any Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, the Guarantees, the Suretyship Agreement, the Trust Deed and/or any other Security Document, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Guarantees, the Suretyship Agreement, the Trust Deed and/or any other Security Document admissible in evidence in the courts of the jurisdiction in which the Issuer or relevant Guarantor is organised or incorporated is not taken, fulfilled or done by such entity; or

8.10 Illegality

It is or will become unlawful for the Issuer or any Guarantor to perform or comply with any one or more of its obligations under any of the Notes, the Guarantees, the Suretyship Agreement, the Trust Deed and/or any other Security Document, as applicable; or

8.11 Guarantees

The Guarantees are not (or are claimed by the Issuer or any Guarantor, or any Person acting on behalf of the Issuer or any Guarantor, not to be) in full force and effect in accordance with their terms; or

8.12 Security

Any of the Security Documents is not in full force and effect or does not create the Security which it purports to create with the ranking and priority which it is purported to have; or

8.13 Analogous Events

Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

9 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Replacement of Definitive Notes

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar, subject to all applicable laws and Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Registrar may reasonably require. Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

11 Meetings of Noteholders; Modification, Waiver and Substitution

11.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Suretyship Agreement, the Trust Deed or any other Contract. Such meetings shall be held in accordance with the provisions set out in the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to modify, cancel or release any of the Guarantees (other than a modification, cancellation or release pursuant to Condition 2.2 (*Additional Guarantees and Additional Suretyships*), Condition 2.3 (*Release of Guarantees*) or Condition 3.10 (*Additional Guarantees*), (iii) to reduce or cancel the principal amount of, or interest on, the Notes, (iv) to alter the method of calculating the amount of any payment in respect of the Notes, (v) to change the currency of payment of the Notes, (vi) to modify the provisions in Schedule 3 of the Trust Deed concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, (vii) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, any Guarantor or any other entity, or (viii) to alter or release any Security to the extent not expressly contemplated in the Trust Deed or the other Security Documents in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-quarter, in principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than two-thirds of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

11.2 Modification and Waiver

The Trustee may agree and direct the Security Trustee to agree with the Issuer and the Guarantors, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Suretyship Agreement, the Notes, the Trust Deed or any other Contract which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or is made to comply with mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes, the Suretyship Agreement, the Trust Deed or any other Contract, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless the Trustee otherwise decides, shall be notified to the Noteholders as soon as practicable.

11.3 Entitlement of the Trustee and the Security Trustee

- 11.3.1 In connection with the exercise of its functions (including but not limited to those referred to in these Conditions) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other Person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.
- 11.3.2 In connection with the exercise of its functions under the Trust Deed, the other Security Documents and/or the Suretyship Agreement, the Security Trustee shall be entitled to request and rely upon a written direction or instruction from the Trustee or, if there are no Notes outstanding, all of the other Secured Creditors as to how it should act and the Security Trustee shall be entitled to refrain from acting unless and until it has received such written direction or instruction. The Security Trustee shall not be liable to any Secured Creditor or any other Person for any action it may take or refrain from taking in accordance with any such instruction or direction and shall be entitled to assume that any such directions or instructions are given in accordance with the provisions of the Trust Deed. The Security Trustee shall be entitled to seek clarification with regard to such instructions or directions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction.
- 11.3.3 Upon being directed or instructed in accordance with the paragraph above, the Security Trustee will be bound to take the relevant action(s), steps or proceedings provided that the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction and, for this purpose, the Security Trustee may demand, prior to taking any such action, step or proceeding, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure and/or prefund it. For the avoidance of doubt, nothing shall require the Trustee to provide the Security Trustee with any indemnity and/or security and/or prefunding in any circumstance.

12 Trustee Reliance

The Parent has undertaken in the Trust Deed to deliver to the Trustee and the Security Trustee annually a certificate of the Parent as to (i) there not having occurred an Event of Default or a Potential Event of Default since the date of the last such certificate or, if such event has occurred, as to the details of such event, and (ii) the matters referred to in Condition 3.11 (*Reports*). The Trustee and the Security Trustee shall be entitled to rely on any such certificate and shall not be obliged to monitor independently compliance by the Issuer or the Guarantors with the covenants set forth in Condition 3 (*Covenants*) or elsewhere in these Conditions or the Suretyship Agreement, the Trust Deed, the Agency Agreement or any other Security Document, nor shall it be liable to any person for not so doing and neither the Trustee nor the Security Trustee need enquire further as regards to circumstances existing on the date of such certificate.

13 Enforcement

- 13.1.1 At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the terms of the Trust Deed, the Suretyship Agreement, the other Contracts to which it is party and the Notes (as applicable), including instructing the Security Trustee to enforce the Security pursuant to the Trust Deed and the other Security Documents (such instruction, an “**Enforcement Instruction**”), but it need not, nor shall the Trustee be bound to take, or omit to take, any step and/or action and/or institute or omit to institute such proceedings or send an Enforcement Instruction to the Security Trustee unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 13.1.2 Upon receipt of the Enforcement Instruction the Security Trustee shall promptly enforce all or part of the Security (or appoint a Receiver or Appointee to do so) in any manner as it thinks fit or as it may be directed in accordance with Condition 11.3.2 above, in each case subject to the relevant provisions of the Trust Deed and the other Security Documents, provided that the Security Trustee shall have no obligation

to take any such enforcement action unless and until it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

13.1.3 Only the Security Trustee may enforce the Security in accordance with and subject to the terms of the Trust Deed and the other Security Documents.

No Noteholder may proceed directly against the Issuer or any Guarantor unless the Trustee having become so bound to proceed, fails to do so within a reasonable amount of time and such failure is continuing.

14 Indemnification of the Trustee and the Security Trustee

The Trust Deed contains provisions for the indemnification of each of the Trustee and the Security Trustee and for its relief from responsibility. Each of the Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

Each of the Trustee and the Security Trustee may rely without liability to Noteholders on any opinion, evaluation, information, confirmation, certificate or report prepared by auditors, accountants or any other expert pursuant to the Trust Deed, whether or not addressed to the Trustee or to the Security Trustee and whether or not the auditors', accountants', or other expert's liability in respect thereof is limited by a monetary cap, methodology or otherwise.

The Trust Deed provides that the Noteholders shall together have the power, exercisable by Extraordinary Resolution, to remove the Trustee or the Security Trustee (or any successor trustee or additional trustees) provided that the removal of the Trustee or the Security Trustee or any other trustee shall not become effective unless there remains a Trustee or Security Trustee in office after such removal.

Neither the Trustee nor the Security Trustee shall at any time be required to expend or risk its own funds or otherwise incur any liability in the performance of its obligations or duties or the exercise of any right, power, authority or discretion pursuant to these Conditions, the Suretyship Agreement, the Trust Deed or any other Contract unless the repayment of such funds or adequate indemnity against, or security for, such risk or liability is in its opinion assured to it.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders but subject to these Conditions, including, without limitation, Condition 3.2 (*Limitation on Incurrence of Indebtedness*), create and issue further notes (the "**Additional Notes**") having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) so as to be consolidated and form a single series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any Additional Notes issued pursuant to this Condition and forming a single series with the Notes. Any such Additional Notes shall be constituted by a deed supplemental to the Trust Deed and benefit from the Security. Each of the Trustee and the Security Trustee shall concur with the Issuer and the Guarantors in making, or consent to the Issuer and the Guarantors making, any modification to any provision of the Contracts in connection with the issue of any such Additional Notes, provided that neither the Trustee nor the Security Trustee shall be obliged to concur to any modification which, in the sole opinion of the Trustee or the Security Trustee, as applicable, would have the effect of (a) exposing the Trustee and the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Trustee and the Security Trustee, as applicable, in the Contracts. Application will be made for such Additional Notes to be included in trading on the Stock Exchange.

16 Notices

Notices to the Noteholders shall be valid if sent to them by first class mail (airmail if overseas) at their respective addresses on the Register or, so long as the Notes are listed on the Stock Exchange, by any means permitted by the rules and guidelines of that exchange. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

17 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Arbitration

18.1 Governing Law

The Trust Deed, the Suretyship Agreement, the Notes, the Guarantees and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Security Documents are governed by, and shall be construed in accordance with, Moldovan-law and Ukrainian-law, as the case may be.

18.2 Arbitration

18.2.1 Any dispute arising out of or in connection with the Trust Deed, the Suretyship Agreement, the Notes or the Guarantees shall be referred to and finally resolved by arbitration. The seat (legal place) of arbitration shall be London, England, the language of the arbitration shall be English and, for the avoidance of doubt, the law governing any arbitration agreement shall be English law. The arbitration shall be conducted by three arbitrators pursuant to the LCIA Arbitration Rules save that, unless the parties agree otherwise, the third arbitrator, who shall act as presiding arbitrator of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA.

18.2.2 In the event the claimant(s) shall fail to nominate an arbitrator within the time limits specified in the Rules, such arbitrator shall be selected and appointed by the LCIA Court as soon as possible, preferably within 15 days of such failure. In the event that both the claimant(s) and the respondent(s) fail to nominate an arbitrator within the time limits specified in the Rules, all three arbitrators shall be selected and appointed by the LCIA Court as soon as possible, and preferably within 15 days of such failure, one of whom the LCIA court shall designate as presiding arbitrator.

18.2.3 Notwithstanding Conditions 18.2.1 and 18.2.2 above, provided that all the parties to an arbitration so agree in writing, there shall be a sole arbitrator (instead of an arbitral tribunal consisting of three arbitrators) selected and appointed by the LCIA Court as soon as possible, preferably within 15 days of such agreement.

18.2.4 In the event of inconsistent rulings on consolidation of arbitrations by differently constituted arbitration tribunals, the ruling of the arbitral tribunal first formed shall be determinative and final and binding on the parties to the arbitrations sought to be consolidated. The disputes arising in any consolidated proceeding shall be finally resolved by the arbitral tribunal first formed or any other arbitral tribunal formed in accordance with the rules and procedures and at the seat and in the language specified in the arbitration agreement pursuant to which that arbitral tribunal was formed, and the parties shall be deemed to have expressly agreed to the disputes being resolved in this way.

18.2.5 To the extent permitted by law, each Party waives any objection, on the basis that a dispute has been resolved in a manner contemplated by this Condition 18.2, to the validity and/ or enforcement of any arbitral award rendered pursuant thereto.

19 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer, failing whom the Guarantors, shall indemnify each recipient, on the written demand of such recipient addressed to the Issuer and the Guarantors and delivered to the Issuer and the Guarantors or to the specified office of the Registrar, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such recipient may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer or, as the case may be, the Guarantors and shall give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Noteholder or any other person and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Suretyship Agreement and/or the Notes and/or the Trust Deed and/or any other Contract or any other judgment or order.

20 Non-Petition

None of the Noteholders, the Trustee or the Security Trustee (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, administration, moratorium, reorganisation, controlled management, arrangement, insolvency, examinership, winding-up or liquidation proceedings or similar insolvency proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Issuer relating to the Notes or otherwise owed to creditors, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer. No Noteholder shall have any recourse against any director or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer in respect of the Notes, other than in the case of fraud or negligence.

21 Definitions

In these Conditions, the following terms have the meanings given to them in this Condition 21.

“**Accounting Standards**” means IFRS or any other internationally recognised set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time; provided however, that where such term is used with respect to the financial statements of the Subsidiaries, it shall, where financial statements prepared in accordance with IFRS are not available, be deemed to include U.S. GAAP, Moldovan National Accounting Standards or any other generally accepted accounting standards of the jurisdiction of incorporation of the relevant Subsidiary from time to time.

“**Acquired Debt**” means, with respect to any specified Person Indebtedness of any other Person existing at the time such other Person is merged, consolidated, amalgamated or otherwise combined with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging, consolidating, amalgamating or otherwise combining with or into, or becoming a Subsidiary of, such specified Person.

“**Additional Amounts**” has the meaning given to it in Condition 7 (*Taxation*).

“**Additional Non-Ukrainian Guarantor**” means any entity incorporated outside of Ukraine that may be obliged to provide an Additional Non-Ukrainian Guarantee;

“**Additional Notes**” has the meaning given to it in Condition 15 (*Further Issues*).

“**Additional Surety**” means any entity incorporated in Ukraine that may be obliged to provide an Additional Suretyship;

“**Affiliate**” of any specified Person means any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, *provided that* ownership of 10 per cent. of the voting securities of any Person shall be deemed to be control. “**Affiliate**” shall include funds advised by the specific Person.

“**Affiliate Transaction**” has the meaning given to it in Condition 3.4 (*Transactions with Affiliates*).

“**Agency**” means any agency, authority, central bank, department, committee, government, legislature, minister, ministry, official or public or statutory person (whether autonomous or not).

“**Agency Agreement**” has the meaning given to it in the introduction to these Conditions.

“**Agent(s)**” has the meaning given to it in the introduction to these Conditions.

“**Appointee**” means any attorney, manager, agent, delegate, nominee, custodian or other person appointed or engaged by the Trustee or Security Trustee under the Trust Deed or any other Contract.

“**Auditors**” means the auditors for the time being of the Parent and the Guarantors or, if they are unable or unwilling promptly to carry out any action requested of them under these Conditions, such other firm of accountants as may be selected by the Parent for the purpose and notified in writing to the Trustee.

“**Board of Directors**” means, as to any Person, the board of directors or other equivalent executive body of such Person or any duly authorised committee thereof.

“**Business Day**” means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Chisinau, Nicosia, London and New York City.

“**Capital Markets Indebtedness**” means any Indebtedness consisting of tradeable bonds, debentures, notes (for the avoidance of doubt, other than any promissory notes or similar evidence of Indebtedness under bank loans or similar financing agreements) or other similar debt securities (or any guarantees or intercompany loans in respect thereof) or preferred stock (a) issued in a public offering registered under the Securities Act, or (b) listed on a recognised stock exchange in the United Kingdom or the European Union, or (c) issued in a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities or preferred stock to registration thereof under the U.S. Securities Act for public resale.

“**Capital Stock**” means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person’s equity, including any Preferred Stock of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock.

“**Cash and Cash Equivalent Amounts**” means with respect to any specified Person and as at any date of determination, the total amount of cash and cash equivalents that would have been included in a balance sheet of such person prepared in accordance with the Accounting Standards if prepared as at such date.

“**Cash Equivalents**” means:

- (i) securities (i) issued by, or directly and fully guaranteed or insured by, the U.S. government or any agency or instrumentality of the U.S. government (provided that the full faith and credit of the United States is pledged in support of those securities), or (ii) which are denominated in U.S. dollars, euro, British pound sterling, Swiss franc, Moldovan leu or the currency of a member state of the European Union and are issued by, or directly and fully guaranteed or insured by, a member of the European Union, the United Kingdom or the Republic of Moldova on the Issue Date, or any agency or instrumentality thereof, in each case having maturities of not more than six months from the date of acquisition;

- (ii) certificates of deposit, time deposits and other bank deposits in U.S. dollars or euro with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 12 months and overnight bank deposits, in each case, with any commercial bank (i) having capital and surplus in excess of US\$500.0 million (or its equivalent in any other currency) and a rating of A-1/P-1 (or such similar equivalent rating) or better from at least one internationally recognised statistical rating organisation, (ii) licensed or organised in the Republic of Moldova and having a rating from at least one internationally recognised statistical rating organisation that is no less than "BBB-" or "Baa3" (or such similar equivalent rating) (iii) licensed or organised in the Republic of Moldova and controlled by another bank organised in the United States, the United Kingdom or any European Union jurisdiction that meets the requirements of clause (i) of this paragraph; provided, that Cash Equivalents will also include such certificates of deposit, time deposits and other bank deposits in Moldovan leu if, at the time of deposit or acquisition, the Parent or any of its Subsidiaries has one or more euro or U.S. dollar deposits or bankers' acceptances with one or more of the institutions referred to in (i) to (iii) above at least equal in value (at then current exchange rates) to the amount of interest payable on the Notes on the next Interest Payment Date;
- (iii) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraph (ii) above entered into with any financial institution meeting the qualifications specified in paragraph (ii) above;
- (iv) commercial paper having one of the two highest ratings obtainable from S&P or Fitch and in each case maturing within one year after the date of acquisition;
- (v) investments in securities with maturities of six months or less from the date of acquisition issued or guaranteed by any state, commonwealth or territory of a member of the European Union, the United Kingdom or the United States, or by any political subdivision or authority thereof; and
- (vi) money market funds at least 95 per cent. of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (i) to (v) above.

"Change of Control" has the meaning given to it in Condition 5.4.1.

"Change of Control Offer" has the meaning given to it in Condition 5.4.3.

"Commodities" means wheat, barley, corn, rapeseeds, sunflower seeds, soya beans, rapeseed oil and meal, sunflower oil and meal, soya bean oil and meal, peas, chickpeas and lentils.

"Commodity Agreement" means any agreement for sale or purchase of Commodities on any commercial terms and conditions, whether on a spot or deferred delivery and/or payment basis, solely between the Parent and/or its Subsidiaries or between the Parent or any of its Subsidiaries and a third party, entered into in the ordinary course of business.

"Commodity Hedging Agreement" means any commodity exchange contract, commodity swap agreement or other similar agreement with respect to commodities, entered into in the ordinary course of business.

"Consolidated EBITDA" means, with respect to any Person for any period, the Consolidated Profit for such period:

- (i) adding back any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by such Person or its Subsidiaries (calculated on a consolidated basis) in respect of that period to the extent such items were deducted in computing the Consolidated Profit;
- (ii) less any accrued interest owing to such Person or any of its Subsidiaries to the extent such interest was added in computing the Consolidated Profit;
- (iii) adding back any amount attributable to the amortisation, depreciation or impairment of assets of such Person and its Subsidiaries (and taking no account of the reversal of any previous impairment charge made in that period) to the extent such amount was deducted in computing the Consolidated Profit;
- (iv) less any Exceptional Items to the extent they increase the Consolidated Profit;

- (v) adding back any Exceptional Items to the extent they decrease the Consolidated Profit;
- (vi) adding back any unrealised losses on any derivative instrument or financial instrument (other than unrealised losses under IAS 39 / IFRS 9 in respect of forward/future contracts entered into in the ordinary course of business and not for speculative purposes relating to grains, oil seeds and oil products (including crude oil, refined oil and meal) to the extent they decrease Consolidated Profit;
- (vii) less any unrealised gains on any derivative instrument or financial instrument (other than unrealised gains under IAS 39 / IFRS 9 in respect of forward/future contracts entered into in the ordinary course of business and not for speculative purposes relating to grains, oil seeds and oil products (including crude oil, refined oil and meal) to the extent they increase the Consolidated Profit;
- (viii) adding back any loss arising from a downward revaluation of any other asset to the extent such loss decreases the Consolidated Profit;
- (ix) less any gain arising from an upward revaluation of any other asset to the extent such gain increases the Consolidated Profit; and
- (x) adding back any non-cash compensation expense, realised for grants of stock options or other rights to officers, directors and employees to the extent such expense decreases the Consolidated Profit,

in each case, on a consolidated basis and determined in accordance with the Accounting Standards for such period.

Notwithstanding the preceding, paragraphs (iv), (vi) and (x) of this definition relating to amounts of a Subsidiary will be added back to the Consolidated Profit to compute the Consolidated EBITDA only in the same proportion as such Subsidiary's profit before income tax was included in the Consolidated Profit.

“Consolidated Fixed Charges” means, with respect to any Person for any period, the Fixed Charges of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with the Accounting Standards.

“Consolidated Net Income” means, for any period, the aggregate of the Net Income of the Parent and its Subsidiaries for such period determined on a consolidated basis in accordance with the Accounting Standards, *provided, however, that:*

- (i) the Net Income (but not loss) of any Subsidiary that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Parent or a Subsidiary; and
- (ii) the Net Income of any Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its shareholders, provided that such Net Income shall be included up to the amount of cash actually distributed to the Parent or a Subsidiary during such period as a dividend or distribution.

“Consolidated Net Leverage Ratio” means, as of any date of determination, the ratio of the (x) the total Net Indebtedness of the Parent and its Subsidiaries to (y) the Consolidated EBITDA of the Parent and its Subsidiaries, in each case for the most recently completed two consecutive semi-annual periods for which financial information has been published immediately preceding the date on which such Indebtedness is incurred (the **“EBITDA Calculation Period”**).

In the event that the Parent or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness or issues, repurchases or redeems Disqualified or Preferred Stock subsequent to the commencement of the EBITDA Calculation Period and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (for the purpose of this definition, the **“Consolidated Net Leverage Ratio Calculation Date”**) (but not giving effect to any additional Indebtedness to be incurred or discharged on the Consolidated Net Leverage Ratio

Calculation Date as part of the same transaction or series of transactions pursuant to Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*)), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, as if the same, including the realisation of synergies and expense reductions (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent), had occurred at the beginning of the EBITDA Calculation Period; *provided that* no effect shall be given to any Cash and Cash Equivalent Amounts that are the proceeds of any Indebtedness in respect of the Incurrence of which the calculation of Consolidated Net Leverage Ratio is to be made.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

1. acquisitions by the Parent or any of its Subsidiaries of business entities or property and assets of any Person, including through mergers or consolidations, or by any Person or any of its subsidiaries which are acquired by the Parent or any of its Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries, during or subsequent to the EBITDA Calculation Period and on or prior to the Consolidated Net Leverage Ratio Calculation Date, or that are to be made on the Consolidated Net Leverage Ratio Calculation Date, will be given *pro forma* effect (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) and may include anticipated synergies, benefits and expense and cost reductions (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) as if they had occurred on the first day of such EBITDA Calculation Period;
2. the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with the Accounting Standards, and operations or businesses (and ownership interests therein) disposed of prior to the Consolidated Net Leverage Ratio Calculation Date, will be excluded;
3. the Indebtedness attributable to discontinued operations, as determined in accordance with the Accounting Standards, and operations or businesses (and ownership interests therein) disposed of prior to the Consolidated Net Leverage Ratio Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Indebtedness will not be obligations of the Parent or its Subsidiaries following the Consolidated Net Leverage Ratio Calculation Date; and
4. any Person that is a Subsidiary on the Consolidated Net Leverage Ratio Calculation Date will be deemed to have been a Subsidiary at all times during such EBITDA Calculation Period.

“Consolidated Profit” means, with respect to any Person for any period, the consolidated profit before income tax (excluding results from discontinued operations) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with the Accounting Standards.

“Continuing Directors” means, for any period, any member of the Board of Directors of the Parent who:

- (i) was a member of such Board of Directors at the beginning of such period; or
- (ii) was nominated for election or was elected to such Board of Directors with the approval of a majority of the members of the Board of Directors who were members of the Board of Directors at the beginning of such period or whose nomination for election or election was previously so approved.

“Contracts” means the Agency Agreement, the Suretyship Agreement, the Trust Deed, the other Security Documents, the Notes, the Guarantees and these Conditions.

“Conversion Deadline” means 30 days after the Issue Date.

“Currency Agreement” means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values, entered into in the ordinary course of business.

“Disqualified Stock” means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder)

or upon the happening of any event:

- (i) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;
- (ii) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or
- (iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Stock if (i) the “change of control” provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes and set forth in Condition 5.4 (*Redemption at the Option of the Holders Upon a Change of Control*), (ii) the “asset sale” provisions are not inconsistent with the provisions of Condition 3.5 (*Asset Sales*) and (iii) any such requirement only becomes operative after compliance with such terms applicable to the Notes.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to these Conditions; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

“**EBITDA**” means, with respect to any specified Person for any period, the profit before income tax (excluding results from discontinued operations) of such Person for such period:

- (i) adding back any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by such Person in respect of that period to the extent such items were deducted in computing the profit before income tax of such Person;
- (ii) less any accrued interest owing to such Person to the extent such interest was added in computing the profit before income tax of such Person;
- (iii) adding back any amount attributable to the amortisation, depreciation or impairment of assets of such Person (and taking no account of the reversal of any previous impairment charge made in that period) to the extent such amount was deducted in computing the profit before income tax of such Person;
- (iv) less any Exceptional Items to the extent they increase the profit before income tax of such Person;
- (v) adding back any Exceptional Items to the extent they decrease the profit before income tax of such Person;
- (vi) adding back any unrealised losses on any derivative instrument or financial instrument (other than unrealised losses under IAS 39 / IFRS 9 in respect of forward/future contracts entered into in the ordinary course of business and not for speculative purposes relating to grains, oil seeds and oil products (including crude oil, refined oil and meal) to the extent they decrease profit before income tax of such Person;
- (vii) less any unrealised gains on any derivative instrument or financial instrument (other than unrealised gains under IAS 39 / IFRS 9 in respect of forward/future contracts entered into in the ordinary course of business and not for speculative purposes relating to grains, oil seeds and oil

products (including crude oil, refined oil and meal) to the extent they increase the profit before income tax of such Person;

- (viii) adding back any loss arising from a downward revaluation of any other asset to the extent such loss decreases the profit before income tax of such Person;
- (ix) less any gain arising from an upward revaluation of any other asset to the extent such gain increases the profit before income tax of such Person; and
- (x) adding back any non-cash compensation expense, realised for grants of stock options or other rights to officers, directors and employees to the extent such expense decreases the profit before income tax of such Person,

in each case, on a non-consolidated basis and determined in accordance with the Accounting Standards for such period.

“Equity Offering” means a public offering for cash by the Parent of its Capital Stock, or options, warrants or rights with respect to its Capital Stock, other than (x) public offerings with respect to the Parent’s Capital Stock, or options, warrants or rights, in connection with a merger or business combination or an offering to employees as part of a benefit plan or performance incentive plan, (y) an issuance to any Subsidiary or (z) any offering of Capital Stock issued in connection with a transaction that constitutes a Change of Control.

“European Union” means the European Union, including any country that is a Member State as of 1 January 2006, but not including any country which becomes a member of the European Union after such date.

“Event of Default” has the meaning given to it in Condition 8 (*Events of Default*).

“Exceptional Items” means any exceptional, one off, non-recurring or extraordinary items or any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (i) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (ii) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment; and
- (iii) disposals of assets associated with discontinued operations.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Existing Mortgages” means Liens over the Secured Property created and subsisting under the following agreements:

- (i) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-235, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-337, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-672, creating a first ranking mortgage over certain immovable assets of “Agrofloris – Nord” S.R.L. located in the village of Rogojeni, Soldanesti district, Republic of Moldova (on the land plot registered under cadastral no. 8332108.004), between “Agrofloris – Nord” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (ii) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-243, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-347, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-674, creating a first ranking mortgage over certain immovable assets of Combinatul de Cereale “Aur Alb” S.A. located at 24, Bugeacului Street, city of Ceadar-Lunga, Gagauzia ATU, Republic of Moldova (on the land plot registered under cadastral no. 9602206.098 and the land plot registered under cadastral no. 9602206.067), between Combinatul de Cereale “Aur Alb” S.A. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (iii) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-237, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-

- 345, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-679, creating a first ranking mortgage over certain immovable assets of “Elevator Kelley Grains” S.A. located at 13, Tighinei Street, city of Causeni, Causeni district, Republic of Moldova (on the land plot registered under cadastral no. 2701226.001), at 86, Tighinei Street, city of Causeni, Causeni district, Republic of Moldova (on the land plot registered under cadastral no. 2701227.020) and in the village of Zaim, Causeni district, Republic of Moldova (on the land plot registered under cadastral no. 2731219.311), between “Elevator Kelley Grains” S.A. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (iv) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-236, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-344, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-671, creating a first ranking mortgage over certain immovable assets of “Elevatorul Iargara” S.A. located at 3, 31 August 1989 Street, city of Leova, Leova district, Republic of Moldova (on the land plot registered under cadastral no. 5702205.563), between “Elevatorul Iargara” S.A. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (v) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-246, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-349, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-680, creating a first ranking mortgage over certain immovable assets of “Floarea Soarelui” S.A. located at 6, 31 August 1989 Street, municipality of Balti, Republic of Moldova (on the land plot registered under cadastral no. 0300207.188), between “Floarea Soarelui” S.A. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (vi) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-247, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-348, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-681, creating a first ranking mortgage over certain immovable assets of “Floarea Soarelui” S.A. located at 6, 31 August 1989 Street, municipality of Balti, Republic of Moldova (on the land plot registered under cadastral no. 0300207.818), between “Floarea Soarelui” S.A. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (vii) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-234, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-342, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-675, creating a first ranking mortgage over certain immovable assets of “Molgranum” S.R.L. located in the village of Burlaceni, Cahul district, Republic of Moldova (on the land plot registered under cadastral no. 9412107.001), between “Molgranum” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (viii) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-233, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-340, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-676, creating a first ranking mortgage over certain immovable assets of “Molgranum” S.R.L. located at 113, Bogdan Petriceicu Hajdeu Street, city of Donduseni, Donduseni district, Republic of Moldova (on the land plot registered under cadastral no. 3401112.140), between “Molgranum” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (ix) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-245, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-343, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-673, creating a first ranking mortgage over certain immovable assets of ICS “Trans Bulk Logistics” S.R.L. located in the village of Giurgiulesti, Cahul district, Republic of Moldova (on the land plot registered under cadastral no. 9420102.070), between ICS “Trans Bulk Logistics” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;

- (x) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-249, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-339, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-677, creating a first ranking mortgage over certain immovable assets of SC “Trans Cargo Terminal” S.R.L. located in the village of Giurgiulesti, Cahul district, Republic of Moldova (on the land plot registered under cadastral no. 9420102.061), between SC “Trans Cargo Terminal” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (xi) Agreement on mortgage over immovable assets dated 21 April 2021, notarized under no. 1-248, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-338, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-678, creating a first ranking mortgage over certain immovable assets of SC “Trans Cargo Terminal” S.R.L. located in the village of Giurgiulesti, Cahul district, Republic of Moldova (on the land plot registered under cadastral no. 9420102.061 and the land plot registered under cadastral no. 9420102.070), between SC “Trans Cargo Terminal” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (xii) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-244, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-346, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-682, creating a first ranking mortgage over certain immovable assets of IM “Trans Oil Refinery” S.R.L., located at 24b, Bugeacului Street, city of Ceadar-Lunga, Gagauzia ATU, Republic of Moldova (on the land plot registered under cadastral no. 9602206.098 and the land plot registered under cadastral no. 9602206.098), between IM “Trans Oil Refinery” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee;
- (xiii) Agreement on mortgage over immovable assets dated 20 April 2021, notarized under no. 1-232, as amended under an Amendment Agreement no. 1 dated 21 May 2021, notarized under no. 1-341, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, notarized under no. 1-670, creating a first ranking mortgage over certain immovable assets of ICS “Uleinord” S.R.L., located at 116, Stefan cel Mare Street, city of Otaci, Ocnita district, Republic of Moldova (on the land plot registered under cadastral no. 6203107.040), between ICS “Uleinord” S.R.L. as mortgagor and Intertrust Trustees Limited as mortgagee; and
- (xiv) Mortgage agreement dated 29 April 2021 between Additional liability company “Reniyskiy Elevator” as mortgagor and Intertrust Trustees Limited as mortgagee, creating a first ranking mortgage over a real estate object (registered under No. 150815051241), located at building 278, 28 Chervnia Street, Reni, Reniyskiy District, Odessa Region, Ukraine (on the land plot under cadastral number 5124110100:02:009:0002) certified by a state notary of Reniyskiy District state notarial office Bukatych E.V. and registered under no. 504.

“**Existing Pledges**” means Liens over the Secured Property created and subsisting under the following agreements:

- (i) Agreement on pledge of movable assets dated 20 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Agrofloris – Nord” S.R.L. located in the village of Rogojeni, Soldanesti district, Republic of Moldova, between “Agrofloris – Nord” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (ii) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of Combinatul de Cereale “Aur Alb” S.A. located at 24, Bugeacului Street, city of Ceadar-Lunga, Gagauzia ATU, Republic of Moldova, between Combinatul de Cereale “Aur Alb” S.A. as pledgor and Intertrust Trustees Limited as pledgee;
- (iii) Agreement on pledge of movable assets dated 20 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2

- dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Elevatorul Iargara” S.A. located at 3, 31 August 1989 Street, city of Leova, Leova district, Republic of Moldova, between “Elevatorul Iargara” S.A. as pledgor and Intertrust Trustees Limited as pledgee;
- (iv) Agreement on pledge of movable assets dated 20 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Elevatorul Kelley Grains” S.A. located at 13, Tighinei Street, city of Causeni, Causeni district, Republic of Moldova, at 86, Tighinei Street, city of Causeni, Causeni district, Republic of Moldova and in the village of Zaim, Causeni district, Republic of Moldova, between “Elevatorul Kelley Grains” S.A. as pledgor and Intertrust Trustees Limited as pledgee;
- (v) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Floarea Soarelui” S.A. located at 6, 31 August 1989 Street, municipality of Balti, Republic of Moldova, between “Floarea Soarelui” S.A. as pledgor and Intertrust Trustees Limited as pledgee;
- (vi) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Floarea Soarelui” S.A. located at 6, 31 August 1989 Street, municipality of Balti, Republic of Moldova, between “Floarea Soarelui” S.A. as pledgor and Intertrust Trustees Limited as pledgee;
- (vii) Agreement on pledge of movable assets dated 20 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of “Molgranum” S.R.L. located in the village of Burlaceni, Cahul district, Republic of Moldova and at 113, Bogdan Petriceicu Hajdeu Street, city of Donduseni, Donduseni district, Republic of Moldova, between “Molgranum” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (viii) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of ICS “Trans Bulk Logistics” S.R.L. located at the International Free Port “Giurgiulesti” in the village of Giurgiulesti, Cahul district, Republic of Moldova, between ICS “Trans Bulk Logistics” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (ix) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of SC “Trans Cargo Terminal” S.R.L. located at the International Free Port “Giurgiulesti” in the village of Giurgiulesti, Cahul district, Republic of Moldova, between SC “Trans Cargo Terminal” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (x) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of SC “Trans Cargo Terminal” S.R.L. located at the International Free Port “Giurgiulesti” in the village of Giurgiulesti, Cahul district, Republic of Moldova, between SC “Trans Cargo Terminal” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (xi) Agreement on pledge of movable assets dated 21 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of IM “Trans Oil Refinery” S.R.L., located at 24b, Bugeacului Street, city of Ceadar-Lunga, Gagauzia ATU, Republic of Moldova, between IM “Trans Oil Refinery” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;

- (xii) Agreement on pledge of movable assets dated 20 April 2021, as amended under an Amendment Agreement no. 1 dated 21 May 2021, as further amended under an Amendment Agreement no. 2 dated 11 September 2021, creating a first ranking pledge over certain movable assets of ICS “Uleinord” S.R.L., located at 116, Stefan cel Mare Street, city of Otaci, Ocnita district, Republic of Moldova, between ICS “Uleinord” S.R.L. as pledgor and Intertrust Trustees Limited as pledgee;
- (xiii) Vehicles pledge agreement dated 29 April 2021, as amended, between Additional liability company “Reniskyi Elevator” as pledgor and Intertrust Trustees Limited as pledgee, creating a first ranking pledge over certain vehicles located in Ukraine; and
- (xiv) Movable property pledge agreement dated 29 April 2021, as amended, between Additional liability company “Reniskyi Elevator” as pledgor and Intertrust Trustees Limited as pledgee, creating a first ranking pledge over certain movable assets located at building 278, 28 Chervnia Street, Reni, Reniyskiy District, Odessa Region, Ukraine; railway track No.1 of the District Park of the Railway Station Reni-Nalyvna, Reniyskiy District, Odessa Region, Ukraine; and railway track No. 30 of the Railway Station Ismail, Reniyskiy District, Odessa Region, Ukraine.

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed.

“**Fair Market Value**” means the price that would be paid in an arm’s length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors of the Parent or the relevant Subsidiary (unless otherwise provided in these Conditions) whose determination shall be conclusive.

“**FATCA**” has the meaning given to it in Condition 7 (*Taxation*).

“**Fitch**” means Fitch Ratings Ltd and its successors.

“**Fixed Charge Coverage Ratio**” means, with respect to any Person as of any date of determination, the ratio of (x) the Consolidated EBITDA of such Person to (y) the Consolidated Fixed Charges of such Person, in each case for the EBITDA Calculation Period.

In the event that the specified Person or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness or issues, repurchases or redeems Disqualified or Preferred Stock subsequent to the commencement of the EBITDA Calculation Period and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (for the purpose of this definition, the “**Fixed Charge Coverage Ratio Calculation Date**”) (but not giving effect to any additional Indebtedness to be incurred or discharged on the Fixed Charge Coverage Ratio Calculation Date as part of the same transaction or series of transactions pursuant to Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*)), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same, including the realisation of synergies and expense reductions (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent), had occurred at the beginning of such EBITDA Calculation Period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions by the specified Person or any of its Subsidiaries, including through mergers, consolidations, amalgamations or other business combinations and including all related financing transactions and including increases in ownership of Subsidiaries, during or subsequent to the EBITDA Calculation Period and on or prior to the Fixed Charge Coverage Ratio Calculation Date, or that are to be made on the Fixed Charge Coverage Ratio Calculation Date, will be given *pro forma* effect (as determined in good faith by the chief financial officer or a responsible financial or accounting officer of the Parent) and may include anticipated synergies, benefits and expense and cost reductions (as determined in good faith by the chief financial officer or a responsible

financial or accounting officer of the Parent) as if they had occurred on the first day of such EBITDA Calculation Period;

- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with the Accounting Standards, and operations or businesses (and ownership interests therein) disposed of prior to the Fixed Charge Coverage Ratio Calculation Date, will be excluded;
- (3) the Consolidated Fixed Charges attributable to discontinued operations, as determined in accordance with the Accounting Standards, and operations or businesses (and ownership interests therein) disposed of prior to the Fixed Charge Coverage Ratio Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or its Subsidiaries following the Fixed Charge Coverage Ratio Calculation Date;
- (4) any Person that is a Subsidiary on the Fixed Charge Coverage Ratio Calculation Date will be deemed to have been a Subsidiary at all times during such EBITDA Calculation Period;
- (5) any Person that is not a Subsidiary on the Fixed Charge Coverage Ratio Calculation Date will be deemed not to have been a Subsidiary at any time during such EBITDA Calculation Period;
- (6) if any Indebtedness bears a floating rate of interest such Indebtedness is to be given pro forma effect, it shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Fixed Charge Coverage Ratio Calculation Date in excess of 12 months, or, if shorter, at least the remaining term of such Indebtedness);
- (7) the Fixed Charges attributable to any premiums, fees or commissions (other than any payment of accrued interest) paid in connection with the repurchase, redemption, defeasance or other discharge and / or Refinancing of any Indebtedness with the proceeds of Indebtedness being incurred that has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being repurchased, redeemed, defeased or otherwise discharged and / or Refinanced will be excluded; and
- (8) Interest on an obligation treated as a Lease Obligation for purposes of the calculating the Fixed Charge Coverage Ratio shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Parent to be the rate of interest implicit in such Lease Obligation in accordance with IFRS.

“**Fixed Charges**” means, with respect to any Person for any period, any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by such Person for such period as determined in accordance with the Accounting Standards.

“**Group**” means the Parent and its consolidated Subsidiaries.

“**guarantee**” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (ii) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning. The term “guarantor” shall mean any Person guaranteeing any obligation.

“**Guarantee**” and “**Guarantees**” have the meanings given to them in the introduction to these Conditions.

“**Guarantors**” has the meaning given to it in the introduction to these Conditions.

“**Hedging Obligations**” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodity Hedging Agreement or Currency Agreement.

“**Holder**” or “**Noteholder**” has the meaning given to it in Condition 1.2 (*Title*).

“**IFRS**” means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect from time to time.

“**Incur**” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation of such Person (and “**Incurrence**,” “**Incurred**” and “**Incurring**” shall have meanings correlative to the preceding). Indebtedness of any acquired Person or any of its Subsidiaries existing at the time such acquired Person becomes a Subsidiary (or is merged into or consolidated with the Parent or any of its Subsidiaries), whether or not such Indebtedness was Incurred in connection with, as a result of, or in contemplation of, such acquired Person becoming a Subsidiary (or being merged into or consolidated with the Parent or any of its Subsidiaries), shall be deemed Incurred at the time any such acquired Person becomes a Subsidiary (or merges into or consolidates with the Parent or any of its Subsidiaries); provided, that, solely for purposes of determining compliance with Condition 3.2 (*Limitation on Incurrence of Indebtedness*) the following will not be deemed to be an Incurrence:

- (i) the amortisation of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;
- (ii) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and
- (iii) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of the notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

“**Indebtedness**” means, with respect to any Person on any date of determination (without duplication):

- (i) the principal in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;
- (ii) all Lease Obligations of such Person;
- (iii) obligations to pay for assets acquired or services supplied deferred for a period of over 180 days (or 360 days if such deferral is in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied) after the relevant assets were or are to be acquired or the relevant services were or are to be supplied, to the extent that these would be accounted for as indebtedness under IFRS;
- (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bankers’ acceptance or similar credit transaction;
- (v) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with these Conditions (but excluding, in each case, any accrued dividends);
- (vi) all obligations of the type referred to in paragraphs (i) through (v) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or

liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee;

- (vii) all obligations of the type referred to in paragraphs (i) through (vi) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or assets and the amount of the obligation so secured; and
- (viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person;

in each case, to the extent it appears on the balance sheet as a liability in accordance with the Accounting Standards.

Notwithstanding the foregoing, the term “Indebtedness” will exclude (i) in connection with the purchase by the Parent or any of its Subsidiaries of any business, post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter and (ii) non-interest bearing instalment obligations and accrued liabilities incurred in the ordinary course of business.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above.

“**Interest Payment Date**” has the meaning given to it in Condition 4 (*Interest*).

“**Interest Period**” has the meaning given to it in Condition 4 (*Interest*).

“**Interest Rate Agreement**” means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

“**Investment**” in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person, together with all items that would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Parent or any of its Subsidiaries issues, sells or otherwise disposes of any Capital Stock of a Person that is a Subsidiary such that, after giving effect thereto, such Person is no longer a Subsidiary, any Investment by the Parent or any of its Subsidiaries of such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Parent or any of its Subsidiaries of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Parent or such Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

“**Issue Date**” means 20 November 2024.

“**Issuer**” has the meaning given to it in the introduction to these Conditions.

“**Lease Obligations**” means, at the time any determination thereof is to be made, the amount of the liability under any lease or hire purchase contract that would at that time be required to be treated as a balance sheet liability in accordance with IFRS.

“**Lien**” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any security interest) securing any obligation of any Person.

“**Material Subsidiary**” means at any relevant time a Subsidiary of the Parent:

- (i) whose total consolidated assets (excluding intercompany loans, intercompany payables, intercompany receivables and intercompany unrealised gains and losses in inventories) represent not less than 10 per cent. of the total consolidated assets of the Parent or whose gross consolidated revenues (excluding intercompany revenues) or operating income represent not less than 10 per cent. of the gross consolidated revenues or operating income of the Parent (determined by reference to the most recent publicly available annual or interim financial statements of the Parent prepared in accordance with Accounting Standards and the latest financial statements of the Subsidiary determined in accordance with Accounting Standards); or
- (ii) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Material Subsidiary, save that each Guarantor shall at all times be deemed to be a Material Subsidiary.

“Moldovan National Accounting Standards” means accounting standards and interpretations establishing mandatory rules of accounting and financial reporting in the Republic of Moldova.

“Net Cash Proceeds”, with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of legal fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Net Income” means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with the Accounting Standards.

“Net Indebtedness” means, with respect to any specified Person and as at any date of determination, the total Indebtedness of such Person less (A) any Cash and Cash Equivalent Amounts and (B) an amount equal to 75 per cent. of Readily Marketable Inventories, in each case, as at the date of such determination.

“Net Proceeds” means the aggregate cash proceeds received by the Parent or any of its Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, but only as and when received), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, sales commission and any relocation expenses incurred as a result of the Asset Sale, and taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions, any tax sharing arrangements and any amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

“Non-Guarantor Subsidiary” means any Subsidiary of the Parent that is not a Guarantor.

“Non-Ukrainian Guarantees” means together the Initial Non-Ukrainian Guarantees and any Additional Non-Ukrainian Guarantees.

“Non-Ukrainian Guarantors” means together the Initial Non-Ukrainian Guarantors and any Additional Non-Ukrainian Guarantors.

“Notes” has the meaning given to it in the introduction to these Conditions.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Officer” means, with respect to a Person, the chairman of the Board of Directors, the general director, the chief executive officer, the chairman of the management board, the president, the chief financial officer, the controller, the treasurer or the general counsel of such Person.

“Officers’ Certificate” means a certificate signed by two Officers of the Issuer or any Guarantor.

“Opinion of Counsel” means a written opinion from legal counsel of international standing who is acceptable to the Trustee and, if such opinion is to be delivered to the Security Trustee, the Security Trustee.

“Permitted Business” means (i) a business in the agro-industrial sector, including without limitation, the sourcing, processing and sale of agricultural raw materials or products and (ii) any activity or business that

is an extension or expansion of, or reasonably related or ancillary to, the business described in (i).

“**Permitted Holders**” means Mr. Vaja Jhashi and any Related Party.

“**Permitted Investments**” means:

- (i) any Investment in the Parent or in a Subsidiary;
- (ii) any Investment in Cash Equivalents and VAT Instruments;
- (iii) any Investment by the Parent or any of its Subsidiaries in a Person, if as a result of such Investment:
 - (i) such Person becomes a Subsidiary; or
 - (ii) such Person is merged, consolidated, amalgamated or otherwise combined with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent or a Subsidiary;
- (iv) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to, and in compliance, with Condition 3.5 (*Asset Sales*);
- (v) any acquisition of assets or Capital Stock solely in exchange for the issuance of Capital Stock (other than Disqualified Stock) of the Parent;
- (vi) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were Incurred in the ordinary course of business of the Parent or any Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or pursuant to foreclosure of Liens; or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;
- (vii) Investments represented by Hedging Obligations;
- (viii) repurchases or redemptions of the Notes;
- (ix) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (x) any Investment in any Person to the extent such Investment consists of prepaid expenses, negotiable instruments held for collection and lease, workers’ compensation, performance and other similar deposits made in the ordinary course of business by the Parent or any of its Subsidiaries;
- (xi) guarantees permitted to be Incurred by Condition 3.2 (*Limitation on Incurrence of Indebtedness*);
- (xii) any agreement or agreements pursuant to which the Parent or a Subsidiary loans to a Subsidiary the proceeds of Indebtedness Incurred by the Parent; and
- (xiii) Investments existing on the Issue Date and any amendment, modification, restatement, supplement, extension, renewal, refunding, replacement or refinancing, in whole or in part, thereof, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the Issue Date);

“**Permitted Liens**” means:

- (i) Liens in favour of the Parent or a Subsidiary to secure obligations which are not pledged to secure Indebtedness owing to third parties;
- (ii) Liens on property of a Person existing at the time such Person is acquired by or merged, consolidated, amalgamated or otherwise combined with or into the Parent or any of its Subsidiaries; *provided that* such Liens were in existence prior to such merger, consolidation,

amalgamation or other combination, were not incurred in connection with or in contemplation thereof, and do not extend to any assets other than those of the Person acquired by or merged, consolidated, amalgamated or combined with the Parent or the Subsidiary;

- (iii) Liens on property (including Capital Stock) existing at the time of acquisition of such property by the Parent or any of its Subsidiaries, *provided that* such Liens were in existence prior to, such acquisition, and not incurred in connection with or in contemplation of, such acquisition;
- (iv) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
- (v) Liens to secure Indebtedness permitted to be Incurred under paragraph (x) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*);
- (vi) Liens existing on the Issue Date (including the extension, re-issuance or renewal of such Liens in connection with Refinancing Indebtedness permitted to be incurred under paragraph (iii) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*));
- (vii) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings instituted within a reasonable period of time and diligently pursued, *provided that* any reserve or other appropriate provision as is required in conformity with IFRS has been made therefore;
- (viii) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens or other similar Liens, in each case, incurred in the ordinary course of business;
- (ix) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (x) Liens created for the benefit of (or to secure) the Notes (or the Guarantees), including the Security created under the Security Documents;
- (xi) Liens securing Hedging Obligations permitted under paragraph (v) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*) and any Lien the principle purpose of which is to allow the setting off or netting of obligations under or in connection with any Hedging Obligation, in either case, so long as such Lien is over only (i) the assets that secure the Indebtedness that is the subject of the relevant Hedging Obligations or (ii) cash or Cash Equivalents securing such Hedging Obligations;
- (xii) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance, other types of social security and other types of related statutory obligations;
- (xiii) rights of set-off under contracts that do not relate to Indebtedness for borrowed money;
- (xiv) Liens in favour of customs or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (xv) Liens resulting from escrow arrangements unrelated to Indebtedness for borrowed money entered into in connection with a disposition of assets;
- (xvi) any retention of title reserved by any seller of goods or any Lien imposed, reserved or granted over goods supplied by such seller;
- (xvii) Liens arising out of or in connection with pre judgment legal process or a judgment or a judicial awarded relating to security for costs;
- (xviii) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Parent or any of its Subsidiaries;

- (xix) any right of refusal, right of first offer, option or other agreement to sell or otherwise dispose of an asset of the Parent or any of its Subsidiaries;
- (xx) Liens to secure any Refinancing Indebtedness as a whole, or in part, in respect of any Indebtedness secured by any Lien referred to in paragraphs (iv), (v), (vi) and (vii) of this definition; *provided, however, that*:
 - (i) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
 - (ii) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under paragraphs (iv), (v), (vi) and (vii) of this definition at the time the original Lien became a Permitted Lien and (y) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;
- (xxi) Liens to secure Indebtedness permitted by paragraph (xi) and paragraph (xii) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*) covering only (i) the Commodities including, but not limited to, the Commodities acquired with, or financed by, such Indebtedness and/or (ii) the Products, and/or (iii) the receivables and proceeds arising upon financing or the sale of Commodities and the Products, and/or (iv) insurance proceeds related to the Commodities and the Products, and/or (v) the following rights deriving from any Commodity Agreements: (A) the right to receive all moneys payable to or for the benefit of the Parent and/or Subsidiary under or in connection with a Commodity Agreement, (B) the right to make demands under, or compel or require the performance of, such Commodity Agreement or otherwise exercise all rights, remedies and discretions arising under or in connection with that Commodity Agreement or available at law or in equity; and (C) all other rights, interests and benefits whatsoever accruing to or for the benefit of the Parent and/or Subsidiary arising under or in connection with any of Commodity Agreements;
- (xxii) Liens on VAT Instruments securing Indebtedness incurred pursuant to VAT Facilities permitted by paragraph (xi) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*);
- (xxiii) Liens to secure Indebtedness permitted by paragraph (xi) of Condition 3.2.2 (*Limitation on Incurrence of Indebtedness*) covering only the assets acquired with or financed by such Indebtedness;
- (xxiv) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing paragraphs (i) through (xxiii); *provided that* any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend to any additional property or assets and that to the extent such Lien secures Indebtedness, the principal amount of the Indebtedness so secured is not increased; and
- (xxv) any other Liens to secure Indebtedness (other than Subordinated Obligations) of the Parent or any of its Subsidiaries in an aggregate principal amount at any one time outstanding not to exceed 5 per cent. of the Group's total assets as shown in the latest published consolidated financial statements of the Parent prepared in accordance with the Accounting Standards.

“**Person**” means any individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any Agency or political subdivision thereof.

“**Pledgors**” means the Initial Surety, “Agrofloris-Nord” S.R.L., “Elevatorul Iargara” S.A., “Floarea Soarelui” S.A., “Molgranum” S.R.L., I.C.S. “Trans Bulk Logistics” S.R.L., S.C. “Trans Cargo Terminal” S.R.L., I.C.S. “Uleinord” S.R.L., Combinatul de cereale “Aur Alb” S.A., “Elevator Kelly Grains” S.A., I.M. “Trans Oil Refinery” S.R.L., and “**Pledgor**” shall mean any one of them.

“**Potential Event of Default**” means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or

the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default.

“**Preferred Stock**”, as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“**Principal Paying Agent**” has the meaning given to it in the introduction to these Conditions.

“**Priority Indebtedness**” means any Indebtedness (1) Incurred by Non-Guarantor Subsidiaries under Condition 3.2.1(ii) (including any Refinancing Indebtedness in respect thereof), (2) Incurred by Non-Guarantor Subsidiaries under Condition 3.2.2 (xii) or (3) secured by Liens Incurred under paragraph (xxv) of the definition of “Permitted Liens”.

“**Purchase Money Indebtedness**” means Indebtedness:

- (i) Incurred to finance the acquisition, construction, improvement or lease of such property, or other assets (including Capital Stock in any Person), thereto; and
- (ii) where the aggregate principal amount of such Indebtedness does not exceed the lesser of Fair Market Value of such property or other assets as at the date of the Incurrence thereof or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing,

provided, however, that such Indebtedness is Incurred within 180 days after the acquisition, construction, improvement or lease of such property or other assets by the Parent or a Subsidiary.

“**Put Event**” occurs when the Security Conversion Conditions have not been satisfied in full by the Conversion Deadline.

“**Readily Marketable Inventories**” means, with respect to any specified Person and as at any date of determination, the total amount of grains, oil seeds and oil products (including crude oil, refined oil and meal) purchased for resale that would have been included in footnotes to a balance sheet of such Person prepared in accordance with the Accounting Standards if prepared as at such date.

“**Receiver**” means a receiver and manager or other receiver (whether appointed pursuant to the Trust Deed or any other Security Document, pursuant to any statute, by a court of otherwise) in respect of all or part of any Secured Property and shall, if allowed by law, include an administrative receiver.

“**Record Date**” has the meaning given to it in Condition 6.1.2.

“**Refinance**” means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part, and “**Refinanced**” and “**Refinancing**” shall have correlative meanings, *provided, however*, that solely with respect to Capital Markets Indebtedness, “**Refinance**” and “**Refinancing**” shall include any issuance of new Capital Markets Indebtedness not earlier than 30 days prior to the Stated Maturity or the date of redemption of the Capital Markets Indebtedness being Refinanced, so long as, and to the extent that the proceeds of such new Capital Markets Indebtedness are maintained by the Group in the form of Cash and Cash Equivalent Amounts until, and for the sole purpose of, repayment or redemption of the Capital Markets Indebtedness being Refinanced.

“**Refinancing Capital Markets Indebtedness**” means the Capital Markets Indebtedness that Refinances the Notes.

“**Refinancing Indebtedness**” means Indebtedness of the Parent or any of its Subsidiaries that Refinances any Indebtedness of the Parent or any of its Subsidiaries existing on the Issue Date or Incurred in compliance with these Conditions, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however*, that:

- (i) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

- (ii) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced;
- (iii) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus accrued interest, fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; and
- (iv) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or any Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes and such Guarantee at least to the same extent as the Indebtedness being Refinanced,

provided further, however, that Refinancing Indebtedness shall not include Indebtedness of a Subsidiary that is not a Guarantor that refinances Indebtedness of the Parent or a Guarantor.

“**Registrar**” has the meaning given to it in the introduction to these Conditions.

“**Related Party**” means the spouse of or immediate family member of Mr. Vaja Jhashi or any trust, corporation, partnership or other entity, the only beneficiaries, stockholders, partners or owners of which consist of Mr. Vaja Jhashi, his spouse, and/or immediate family members of Mr. Vaja Jhashi.

“**Related Rights**” means, in relation to any asset:

- (i) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset;
- (ii) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset;
- (iii) the proceeds of sale, transfer or other disposal, lease, licence, or agreement for sale, transfer or other disposal, lease or licence of all or any part of that asset;
- (iv) any other moneys paid or payable in respect of that asset; and
- (v) any awards or judgments in favour of the Issuer in relation to that asset.

“**Relevant Date**” has the meaning given to it in Condition 7 (*Taxation*).

“**Relevant Jurisdiction**” means, in the case of any Guarantor, the jurisdiction in which such Guarantor is resident for tax purposes.

“**Restricted Investment**” means an investment other than a Permitted Investment.

“**Restricted Payment**” with respect to any Person means:

- (i) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such stock, (B) dividends or distributions payable solely to the Parent or a wholly owned Subsidiary and (C) pro rata dividends or other distributions made by a Subsidiary that is not a wholly-owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));
- (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Parent held by any Person (other than by a Subsidiary) or of any Capital Stock of a Subsidiary held by any Affiliate of the Parent (other than by a Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to

exchange any Capital Stock (other than into Capital Stock of the Parent that is not Disqualified Stock);

- (iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Parent or any Guarantor (other than (A) from the Parent or a Subsidiary or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement); or
- (iv) the making of any Investment (other than a Permitted Investment) in any Person.

“**Secured Creditors**” means each of (a) the Trustee, (b) the Security Trustee, (c) any Receiver appointed by the Security Trustee, (d) the Agents; and (e) the Noteholders.

“**Secured Liabilities**” means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer or the Guarantors to the Secured Creditors or any of them under or in connection with the Notes, the Suretyship Agreement, the Agency Agreement, the Trust Deed or any other Contract (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal, guarantor, surety or otherwise).

“**Secured Property**” means the undertaking, property, assets and rights from time to time subject, or expressed to be subject, to the Security or any part of those assets and any Related Rights.

“**Securities Act**” means the United States Securities Act of 1933.

“**Security**” means any Lien created, evidenced or conferred by or under the Security Documents.

“**Security Conversion Conditions**” means the receipt by each of the Trustee and the Security Trustee of the Security Conversion Documents and the Officers’ Certificate confirming that the Security Conversion has been completed.

“**Security Conversion Documents**” has the meaning given to it in Condition 3.14.2(ii).

“**Stated Maturity**” means:

- (i) with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final instalment of principal of such Indebtedness is due and payable; and
- (ii) with respect to any scheduled instalment of principal of or interest on any Indebtedness, the date specified in such Indebtedness as the fixed date on which such instalment is due and payable.

“**Stock Exchange**” means Wiener Börse AG, or any other or further stock exchange or stock exchanges or any relevant authority or authorities on which the Notes may, from time to time, be listed or admitted to trading.

“**Subordinated Obligation**” means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or a Guarantee, pursuant to a written agreement to that effect.

“**Subsidiary**” means:

- (i) any corporation more than 50 per cent. of the outstanding voting power of the Capital Stock of which is owned or controlled, directly or indirectly, by the Parent or by one or more other Subsidiaries of the Parent, or by the Parent and one or more other Subsidiaries thereof;
- (ii) any limited partnership of which the Parent or any of its Subsidiaries is a general partner;
- (iii) any other Person in which the Parent, or one or more other Subsidiaries of the Parent, or the Parent and one or more other Subsidiaries, directly or indirectly, has more than 50 per cent. of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof; or

- (iv) any Person whose financial statements are required by Accounting Standards to be fully consolidated into the consolidated financial statements of the Parent.

“**S&P**” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies Inc. and any successor to its rating agency business.

“**Sureties**” means together the Initial Surety and any Additional Sureties.

“**Suretyships**” means together the Initial Suretyship and the Additional Suretyships.

“**Taxes**” has the meaning given to it in Condition 7 (*Taxation*).

“**Transfer Agent**” has the meaning given to it in the introduction to these Conditions.

“**Trustee**” has the meaning given to it in the introduction to these Conditions.

“**Trust Deed**” has the meaning given to it in the introduction to these Conditions.

“**U.S. Dollar Equivalent**” means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as quoted by Reuters at approximately 11:00 am (New York time) on the date not more than two Business Days prior to the date of determination.

“**U.S. GAAP**” means generally accepted accounting principles, standards and practices in the United States of America.

“**VAT**” means Moldovan value-added tax.

“**VAT Facilities**” means credit facilities entered into among the Parent, or any of its Subsidiaries, and the lenders party thereto from time to time, as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether in whole or in part), that are secured solely by VAT Instruments.

“**VAT Instruments**” means such instruments as may be issued from time to time to any of its Subsidiaries organised in the Republic of Moldova by the relevant governmental or taxing authority thereof in respect of VAT recoverable by such Subsidiary of the Parent.

“**Voting Stock**” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (i) the sum of the products obtained by multiplying:
 - (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by
 - (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment, by
- (ii) the then outstanding aggregate principal amount or liquidation preference, as the case may be, or such Indebtedness.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Global Note

The Notes will be evidenced on issue by (i) in the case of Regulation S Notes, Regulation S Global Notes deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg and (ii) in the case of Rule 144A Notes, Rule 144A Global Notes deposited with a custodian for, and registered in the name of Cede & Co. as nominee of DTC.

Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. See “—*Book-entry Procedures for the Global Notes*”. By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that if it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be purchasing outside of the United States in accordance with Regulation S or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Note (if applicable). See “—*Transfer Restrictions*”. Beneficial interests in a Rule 144A Global Note may only be held through DTC at any time. See “—*Book-entry Procedures for the Global Notes*”. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the agency agreement. See “—*Transfer Restrictions*”.

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the Agency Agreement, and with respect to Rule 144A Global Notes, as set forth in Rule 144A, and the Notes will bear the legends regarding such restrictions set forth under “—*Transfer Restrictions*”. A beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that the transfer is being made in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note will, upon transfer, cease to be an interest in the Regulation S Global Note, and become an interest in the Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Note for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, will, upon transfer, cease to be an interest in the Rule 144A Global Note and become an interest in the Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Note for so long as it remains such an interest. The Issuer, the Guarantors, the Transfer Agents and the Registrar shall, save in the case of the issue of replacement Notes pursuant to Condition 10, make no charge to the holders for the registration of any holding of Notes or any transfer thereof or for the issue of any Notes or for the delivery thereof at the specified office of a Transfer Agent or the Registrar or by uninsured post to the address specified by the holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the holder or the transferee thereof as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form (the “**Definitive Notes**”). The Notes are not issuable in bearer form.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the above Conditions. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of Notes evidenced by a Global Note will be made to the person who appears at the relevant time on the register of Noteholders as holder of such Global Note against presentation for endorsement by the Principal Paying Agent and, if no further payment falls to be made in respect of the relevant Notes, surrender of such

Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

Notices

So long as the Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions. Any notice so delivered shall be deemed to have been given on the date of delivery to such clearing system. Any notices will also be given in accordance with the rules of any stock exchange upon which the Notes are listed.

Record Date

Notwithstanding Condition 6.1.2., “**Record Date**” shall mean the Clearing System Business Day before the relevant due date for payment, where “Clearing System Business Day” means Monday to Friday inclusive, except 25 December and 1 January.

Meetings

The holder of each Global Note will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and in any such meeting as having one vote in respect of each Note for which the Global Note may be exchangeable.

Trustee’s Powers

In considering the interests of Noteholders while the relevant Global Note is held on behalf of a clearing system, the Trustee, to the extent it considers it appropriate to do so in the circumstances, may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holders of such Global Note.

Issuer’s Option

So long as the Notes are evidenced by a Global Note and the Global Note is held by or on behalf of a clearing system, any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders and the relevant clearing systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions, except that in the case of a partial exercise of an option, the Notes to be redeemed shall be selected (i) in the case of the Regulation S Global Note, in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg or (ii) the case of the Rule 144A Global Note, on a *pro rata* pass-through distribution of principal basis.

Noteholder’s Option

So long as the Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, the exercise of the option of Noteholders provided for in Condition 5.6 will be subject to the normal rules and operating procedures of such clearing system.

Electronic Consent and Written Resolution

While any Global Note is registered in the name of any nominee for a clearing system, then:

- (a) approval of a resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting in respect of which the special quorum provisions specified in the Notes apply, take effect as an

Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to the Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EasyWay system or Clearstream, Luxembourg’s Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Exchange for Definitive Notes

Exchange

Each Global Note will be exchangeable, free of charge to the holder, in whole but not in part, for Notes in definitive, registered form if: (i) in the case of a Rule 144A Global Note, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Note or ceases to be a “clearing agency” registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC or (ii) in the case of a Regulation S Global Note, Euroclear or Clearstream, Luxembourg, and Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any Transfer Agent.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note for Definitive Notes for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

“**Exchange Date**” means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Notes and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and (b) in the case of a Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions

of Rule 144A to a QIB. Definitive Notes issued in exchange for a beneficial interest in a Rule 144A Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*”.

Legends

The holder of a Definitive Note may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon.

Book-entry Procedures for the Global Notes

For each series of Notes evidenced by both a Regulation S Global Note and a Rule 144A Global Note, custodial and depositary links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See “—*Settlement and Transfer of Notes*”.

Euroclear and Clearstream, Luxembourg

The Regulation S Global Notes representing the Regulation S Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

The Rule 144A Global Notes representing the Rule 144A Notes will have a CUSIP number and will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders (“**Direct Participants**”) or indirectly (“**Indirect Participants**”) and, together with Direct Participants, “**Participants**”) through organisations that are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited-purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust

companies, which clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations that are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Notes as to which such Participant or Participants has or have given such direction. However, in the circumstances described under “Exchange for Definitive Notes,” DTC will surrender the relevant Rule 144A Global Notes for exchange for individual Rule 144A Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note, the common depository by whom such note is held, or nominee in whose name it is registered, will immediately credit the relevant participants’ or holders’ accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system’s records. The ownership interest of each actual purchaser of each such note (the “**Beneficial Owner**”) will in turn be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest

in a Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in the Rule 144A Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Note, as the case may be (subject to the certification procedures provided in the agency agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the relevant Rule 144A Global Note will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by such Rule 144A Global Note of the relevant class and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Regulation S Global Note. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Rule 144A Global Note (subject to the certification procedures provided in the agency agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the relevant Rule 144A Global Note who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Regulation S Global Note; and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the relevant Rule 144A Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedure, and such procedures may be discontinued at any time. None of the Issuer, the Trustee nor any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing then-operations.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date thereof, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until three days prior to the relevant Closing Date will be required, by virtue of the fact the Notes initially will settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant Closing Date should consult their own advisors.

TAX CONSIDERATIONS

The following is a general description of certain tax consequences relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries referred to or elsewhere. The investors are advised to consult their professional tax advisers in relation to tax implications of the purchase, holding and redemption or sales of the Notes in any relevant jurisdiction.

Certain Federal Income Tax Considerations in the United States

The following is a summary of certain U.S. federal income tax considerations of the acquisition, ownership or disposition of the Notes by a U.S. Holder (as defined below). This summary deals only with U.S. Holders that are initial purchasers of Notes at the Issue Price in the Offering and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as (but not limited to) certain financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax exempt organisations, partnerships or other pass-through entities (or investors in such entities), dealers or traders in securities or currencies or to holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes or that have a functional currency other than the U.S. dollar, certain U.S. expatriates, persons subject to the alternative minimum tax, U.S. Holders who are required to include certain items of revenue in income no later than when such item is taken into account in their financial statements, U.S. Holders who hold their Notes through non-U.S. intermediaries, or holders that own (directly, indirectly or by attribution) 10 per cent. or more of the vote or value of the Issuer's stock). Moreover, this summary does not address the U.S. federal estate and gift tax, the Medicare tax on net investment income or the alternative minimum tax consequences of the acquisition, ownership or disposition of the Notes.

Furthermore, this discussion does not address different U.S. federal income tax consequences that may be relevant to prospective purchasers of the Notes who 2026 Notes are repurchased or redeemed in a substantially contemporaneous transaction (i.e., the Tender Offer or the Special Mandatory Early Redemption). Such prospective purchasers should refer to the discussion under "*Tax Consequences – Certain U.S. Federal Income Tax Considerations*" in the Tender Offer and Consent Solicitation Memorandum regarding the risk that the two transactions would be viewed as an exchange and discuss with their tax advisers regarding the tax consequences to them of the concurrent acquisition of Notes in this Offering and the repurchase or redemption of their 2026 Notes and any different consequences that may apply to their ownership and disposition of the Notes.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as at the date hereof. Each of the foregoing is subject to change, possibly with retroactive effect, or differing interpretations, which could affect the tax considerations described herein. The Issuer has not and will not seek any rulings from the U.S. Internal Revenue Service (the "**IRS**") regarding the matters discussed in this summary. There can be no assurance that the IRS will not take positions concerning the tax consequences of the acquisition, ownership or disposition of the Notes that are different from those discussed below.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of the Notes who for U.S. federal income tax purposes is (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any State thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (a) with respect to which a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) that has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the

activities of the partnership. Such partner or partnership should consult its own tax advisor as to the consequences of acquiring, owning or disposing of the Notes.

The following discussion does not purport to be legal advice to prospective investors generally or to any particular prospective investor. Prospective U.S. Holders should consult their own tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of the Notes.

U.S. Federal Income Tax Characterisation of the Notes

No authority directly addresses the U.S. federal income tax characterisation of securities like the Notes and the Issuer has not and will not seek a ruling from the IRS as to their characterisation for such purposes. To the extent relevant for U.S. federal income tax purposes, the Issuer intends to treat the Notes as indebtedness for such purposes and this discussion assumes that treatment is correct. No assurance can be given that the IRS will not assert, or a court would not sustain, a position regarding the characterisation of the Notes that is contrary to the Issuer's characterisation. Alternative characterisations include treatment of the Notes as equity in the Issuer. If the Notes were treated as equity, there is a risk that the U.S. Holders may be treated as holding equity in a "passive foreign investment company". Prospective investors should seek advice from their tax advisers as to the proper characterization of the Notes for U.S. federal income tax purposes and the consequences to them of alternative characterisations of the Notes for U.S. federal income tax purposes.

In certain circumstances, the Issuer may be obligated to redeem the Notes in advance of their expected maturity. In addition, the Issuer may be required to pay amounts in excess of the stated interest and principal. The Issuer intends to take the position that the possibility of such redemptions or payments of excess amounts should not cause the Notes to be treated as contingent payment debt instruments under the applicable Treasury Regulations. Assuming such position is respected, any amounts paid to a U.S. Holder pursuant to such redemptions would be taxable as described below in "*Sale, Exchange or Disposition*" and any such excess amounts would be required to be included in the U.S. Holder's income at the time such payments are received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes. The Issuer's position is binding on a U.S. Holder, unless the U.S. Holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged the Issuer's position, and the Notes were treated as contingent payment debt instruments, U.S. Holders could be required to accrue interest income at a rate higher than their yield to maturity, regardless of the U.S. Holder's method of accounting, and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note. This discussion assumes that the Notes will not be treated as contingent payment debt instruments. U.S. Holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Interest

It is expected, and this section assumes that the Notes will be issued with no more than a de minimis amount of original issue discount ("**OID**"). Therefore, payments of interest on a Note (without reduction for any amounts withheld and including any additional amounts paid with respect thereto), will be includible in a U.S. Holder's gross income as ordinary interest income in accordance with the U.S. Holder's usual method of tax accounting. In addition, interest on the Notes will generally be treated as foreign-source income for U.S. federal income tax purposes. Interest generally will constitute "passive category income" for most U.S. Holders—or in the case of certain U.S. Holders, "general category income"—for purposes of computing the foreign tax credit allowable to U.S. Holders.

Subject to certain complex and evolving limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for taxes withheld on payments on the Notes. There are significant, complex and evolving limitations on a U.S. Holder's ability to obtain and utilize foreign tax credits and the rules governing foreign tax credits are very complex. U.S. Holders should consult their tax advisers regarding the creditability or deductibility of any withholding taxes and any applicable limitations in their particular circumstances.

Sale, Exchange or Disposition

A U.S. Holder will generally recognise gains or losses on the sale or other taxable disposition of a Note in an amount equal to the difference between the amount realised on the sale or other disposition and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Note generally will be the amount paid for the Note. Except to the extent attributable to accrued but unpaid interest (which will be taxable as ordinary income), any other gain or loss recognized on the sale or other disposition of a Note will be capital gain or loss and will generally be treated as from sources within the United

States in the hands of a U.S. Holder. The use of foreign tax credits relating to any foreign income tax imposed upon gains in respect of the Notes generally will be limited. The creditability of foreign taxes imposed on disposition gains is subject to significant, complex and evolving limitations that may prevent a U.S. Holder from obtaining or utilizing such credits, and U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences if any foreign taxes are imposed on a sale, exchange or retirement of the Notes including their ability to credit or deduct a foreign tax against their U.S. federal income tax liability, the determination of the amount realised and any applicable limitations in their particular circumstances.

In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to limitations under the Code. Prospective U.S. Holders should consult their own tax advisors with respect to the U.S. federal income tax implications of a sale or other taxable disposition of a Note.

Backup Withholding and Information Reporting

In general, payments of principal and interest on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to certain U.S. Holders are subject to information reporting and may be subject to backup withholding, unless a U.S. Holder provides an accurate taxpayer identification number or certification of exempt status or otherwise complies with the applicable backup withholding requirements.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability provided the U.S. Holder timely submits the required information to the IRS.

Prospective U.S. Holders should consult their own tax advisors regarding any filing or reporting requirements that may apply to the purchase, ownership and disposition of Notes.

Foreign Financial Asset Reporting

Certain U.S. Holders who, during any taxable year, hold any interest in any "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns a statement setting forth certain information if the aggregate value of all such assets exceeds \$50,000. "Specified foreign financial asset" generally includes any financial account maintained with a non-U.S. financial institution and may also include the Notes if they are not held in an account maintained with a U.S. financial institution. Depending on the aggregate value of a U.S. Holder's investment in specified foreign financial assets, the U.S. Holder may be obligated to file IRS Form 8938 under this provision. Substantial penalties may be imposed and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. Prospective U.S. Holders should consult their own tax advisors regarding the possible application of this filing requirement to the ownership of the Notes.

U.S. Foreign Account Tax Compliance Act ("FATCA")

FATCA imposes reporting requirements and a withholding tax of 30 per cent. on, among other things, certain payments by non-U.S. financial institutions ("**foreign passthru payments**") made to persons that fail to meet certain certification or reporting requirements. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if Additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes,

including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

If FATCA withholding were to become relevant with respect to the Notes, the Issuer's obligations under the Notes are discharged once it has paid the common depositary for the clearing systems (as registered holder of the Notes) and the Issuer therefore has no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. Each party shall, reasonably promptly following a reasonable request by another party, provide such other party with such information or assistance reasonably requested by the other party so as to enable such other party to comply with its obligation under FATCA.

The above summary is for general information only, and is not intended to constitute a complete analysis of all tax considerations relating to the acquisition, ownership and disposition of the Notes. Prospective investors should consult their own tax advisors concerning the tax considerations to them in light of their particular circumstances.

Certain Tax Considerations in Ireland

The following is a summary of the principal Irish withholding tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment and who are not associated with the Issuer (otherwise than by virtue of holding Notes). Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts, etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Terms and Conditions may affect the tax treatment of that and other series of Notes.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest which should include interest payable on the Notes.

Subject to the below, the Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the following conditions are met:

- (a) the Notes are Quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Vienna Stock Exchange) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
 - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (ii) the person who is the beneficial owner of the Notes and the return payable on the Notes is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Subject to the discussion below, so long as the Notes continue to be quoted on a recognised stock exchange such as the Vienna Stock Exchange and are held in a clearing system recognised by the Irish Revenue Commissioners interest on the Notes can be paid by any Paying Agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a Paying Agent outside Ireland.

Interest or other distributions paid on the Notes which are profit dependent or any part of which exceeds a reasonable commercial return could, under certain anti-avoidance provisions, be re-characterised as a non-deductible distribution and

be subject to dividend withholding tax in certain circumstances. However, this should not apply on the basis of a confirmation by the Issuer that, at the time the Notes were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the Notes would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that relevant territory by persons from sources outside that relevant territory, where the term “relevant territory” means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty.

Encashment Tax

Irish tax will be required to be withheld at the rate of 25 per cent. from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where (i) the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank or (ii) the beneficial owner of the interest is a company which is within the charge to Irish corporation tax in respect of the interest.

Stamp Duty

No stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the Issuer is a qualifying company for the purposes of Section 110 of the Taxes Consolidation Act 1997 and the proceeds of the Notes are used in the course of the Issuer’s business.

Certain Tax Considerations in Cyprus

The following is a summary based on the laws and practices currently in force in the Republic of Cyprus and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Cypriot Withholding Tax on Guarantee Payments

It is not entirely clear as to how payments made under the Guarantees to be paid by a Cyprus tax resident corporate Guarantor to the Noteholders could be legally characterised for Cypriot withholding tax purposes and a specific advance ruling is recommended. To the extent that payments made under the Guarantees represent interest payments, then Cyprus levies withholding tax in the form of special contribution for defence (“**Defence Tax**”) at the rate of 17 per cent. (rate was reduced from 30 per cent. with effect as from 1 January 2024) on interest payments made by Cyprus tax resident companies to persons who are tax resident of Cyprus as follows:

- (a) individuals who have a Cypriot domicile (as defined in the Defence Tax Law) in case the interest is considered to arise neither in the ordinary course of their business nor closely connected therewith;
- (b) companies in case the interest is considered to arise neither in the ordinary course of their business nor closely connected therewith.

Cyprus does not levy any withholding tax on interest payments made to persons not being resident for tax purposes of Cyprus or to individuals who are tax residents of Cyprus but do not have a Cypriot domicile (as defined in the Defence Tax Law). However, with effect as from 31 December 2022, withholding tax at the rate of 17 per cent. (rate was reduced from 30 per cent. with effect as from 1 January 2024) applies on interest paid by a Cyprus tax resident company to companies which are:

- resident in jurisdictions included in the EU Blacklist of non-cooperative jurisdictions (the “**EU Blacklist**”), or
- incorporated/registered in a jurisdiction included in the EU Blacklist and are not tax resident in any other jurisdiction that is not included in the EU Blacklist.

The withholding tax does not apply in the case of:

- interest payments on securities listed on a recognised stock exchange.
- Interest payments made by individuals.

Tax Residency and Domicile for Individuals

An individual is considered to be a tax resident of Cyprus if he or she is physically present in the Republic of Cyprus for an aggregate total of more than 183 days in a tax year.

As of 1 January 2017, an individual is also recognised as a Cypriot tax resident for a tax year, if he or she meets all of the following requirements:

- 1) does not spend more than 183 days in total in any state within the tax year;
- 2) is not recognised as a tax resident of another state in the same tax year;
- 3) stays in Cyprus for at least 60 days in the tax year;
- 4) pursues a business or is employed in Cyprus or holds an office with a company that is a Cypriot tax resident at any time during the tax year;
- 5) maintains a permanent home in Cyprus that is either owned or rented.

If an individual terminates his or her employment/winds up his business or ceases to hold office as per (4) above, he or she cannot be considered a Cypriot tax resident for the respective tax year.

The Defence Tax Law contains the following term and definition:

“Resident in the Republic”, when applied to an individual, means a person who is resident in the Republic as defined in accordance with the provisions of the Income Tax Law, and who also has domicile in the Republic.

For the purposes of this Law a person has “domicile in the Republic” if he or she has domicile of origin in the Republic based on the provisions of the Wills and Succession Law, except for:

- (i) a person who has acquired and maintains domicile of choice outside the Republic based on the provisions of the Wills and Succession Law, provided that he or she was not resident in the Republic as defined in accordance with the provisions of the Income Tax Law for any period of at least twenty (20) consecutive years before the tax year, or
- (ii) a person who was not resident in the Republic as defined in accordance with the provisions of the Income Tax Law for a period of at least twenty (20) consecutive years before the entry into force of the provisions of this Law

It is provided that regardless of the domicile of origin, any person who is resident in the Republic, as defined in accordance with the provisions of the Income Tax Law for at least seventeen (17) out of the last twenty (20) years before the tax year, will be deemed domiciled in the Republic for the purposes of this Law.

Tax Residency for Companies

A company is considered to be tax resident in the Republic of Cyprus if its management and control is exercised in Cyprus. There is no definition in the Cyprus income tax laws as to what constitutes “management and control”.

It is generally accepted and in line with international tax practices that the following conditions should be considered to determine if a company classifies as a resident of Cyprus for tax purposes:

1. Majority of the Board of Directors meetings are held in Cyprus;
2. Majority of important decisions are taken in Cyprus; and
3. The majority of the directors are residents of Cyprus.

In addition to the above, for the purposes of obtaining tax residency certificates from the Cypriot tax authorities, the following factors are also considered:

1. whether the Board of Directors exercises control and makes key management and commercial decisions necessary for the company’s operations and general policies;
2. whether shareholders’ meetings are held in Cyprus;

3. whether any general powers of attorney are issued to non-Cypriot tax residents;
4. whether the corporate seal and all statutory books and records are maintained in Cyprus;
5. whether corporate filing and reporting functions are performed by representatives located in Cyprus; and
6. whether agreements relating to the company's business and assets are executed or signed in Cyprus.

In an effort to strengthen the residency rule framework beyond the management and control criterion/concept and with effect as from 31 December 2022, the term Cyprus tax resident company was expanded to also include a company that was incorporated/registered in Cyprus, but whose management and control is exercised outside Cyprus, as long as the company is not a tax resident in any other State.

Stamp Duty

In general, Cyprus levies stamp duty on every instrument if:

- (a) it relates to any property situated in Cyprus; or
- (b) it relates to any matter or thing which is performed or done in Cyprus.

The stamp duty obligation arises irrespective of whether the document is executed in Cyprus or abroad.

There are instruments which are subject to stamp duty at a fixed fee (ranging from 5 cents to EUR 35) and instruments which are subject to stamp duty based on the value of the instrument (0.15 per cent. for amounts exceeding EUR 5,000 and 0.20 per cent. for amounts exceeding EUR 170,000) with a maximum stamp duty payable of EUR 20,000 per instrument.

Certain Tax Considerations in Moldova

General

The following summary is included for general information only. Potential investors in the Notes and the Noteholders should consult their own tax adviser as to the tax consequences under the laws of Moldova of the acquisition, ownership and disposition of the Notes. This summary is based upon the Moldovan tax laws, regulations and orders in effect on the date of this Information Memorandum. Such laws and regulations are subject to change or varying interpretations, possibly with retroactive effect. Moldovan tax law and practice are at an early stage of development and are not as clearly established as that of more developed jurisdictions. It is possible, therefore, that the current interpretation of the law or understanding of the practice may change or that the law may be amended with retroactive effect. Accordingly, it is possible that payments to be made to Noteholders could become subject to taxation or that rates currently in effect with respect to such payments could be increased in ways that cannot be anticipated as at the date of this Information Memorandum.

Payment under the Guarantees

If a Moldovan Guarantor makes any payments in respect of interest on the Notes (or other amounts due in respect of the Notes), such payments could be viewed as Moldovan source income of the recipient of such payments and, thereby, may be subject to 12 per cent. withholding tax, according to the Tax Code of Moldova, upon considering the below explanations concerning double tax treaties.

It is unclear, from Moldovan Tax Code, whether payments made by the Moldovan Guarantors under the Guarantees should be given the same tax treatment as the "original" payments in respect of the Notes. Such interpretation seems to be fair but has not been confirmed by the Moldovan tax authorities.

Under this interpretation, the part of the payment under a Guarantee representing a principal amount of the Notes should be invoiced as principal and treated as the principal amount, and, therefore, is not subject to withholding tax; the part representing interest on the Notes should be invoiced as interest and treated as interest, and the recipient may potentially benefit from tax relief provided by a relevant tax treaty; and the part representing payment that is neither the principal amount nor the interest (e.g. fees or commissions) should be invoiced as such and treated depending on the "original" payment's legal form and economic substance (in which case there could also be a possibility to use beneficial provisions of a relevant tax treaty).

Another approach could be that any payments, except for payments of principal amount under a Guarantee should be considered “income from services earned on Moldovan territory” notwithstanding what kind of “original” payment in respect of the Notes they represent.

Notwithstanding whether payments under a Guarantee are given the tax treatment of the respective “original” payment due in respect of the Note or it is treated as “other income”, the recipient may enjoy relief provided for by a relevant tax treaty in a form of exemption from or a reduced rate of withholding tax. However, the particular form of tax relief and conditions for their application may vary depending on the tax treatment of the payments.

Under the terms of the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Moldova for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital signed on 8 November 2007 and effective from 1 January 2009 in Moldova (the “**Double Tax Treaty**”), as it is currently applied, payments by the Guarantors to the Trustee (a UK resident) under the Guarantees may be exempt from withholding tax in Moldova, provided that certain conditions set forth in the Double Tax Treaty and under applicable Moldovan law are satisfied. However, there can be no assurance that the exemption from withholding tax is, or will continue to be, available.

In respect of the payments made by the Moldovan Guarantors under the Guarantees to the Trustee that could be treated as the Trustee’s other income, the Trustee may be exempt from Moldovan withholding tax under Article 20 of the Double Tax Treaty provided that the Trustee is a resident of the United Kingdom for the purposes of the Double Tax Treaty, is the “beneficial owner” of the payments and is not deemed to carry on business activity in Moldova through permanent establishment located therein. The Moldovan Tax Code does not provide a clear treatment concerning the taxation of payments to the Trustee when it is not the beneficial owner, thus, a 12 per cent. withholding tax may be imposed on all such payments.

If the payments made by the Moldovan Guarantors under the Guarantees to the Trustee are given the same tax treatment as the respective “original” payments due in respect of the Notes, the Trustee may:

- (i) to the extent of the portion that represents the principal amount of the Notes – be exempt from Moldovan withholding tax under the Tax Code of the Republic of Moldova;
- (ii) to the extent of the portion that represents interest – be subject to 12 per cent. withholding tax.
- (iii) to the extent of the portion that represents an amount due in respect of the Notes other than the principal amount and interest – may be subject to 12 per cent. withholding tax, if the “original” payment is legally structured as and economically represents service fees of any party other than the Trustee.
- (iv) to the extent of the portion due under the Notes that represents the earnings of the Trustee – be exempt from Moldovan withholding tax under the Article 7 of the Double Tax Treaty as business profits of the Trustee, provided that the Trustee is a resident of the United Kingdom for the purposes of the Double Tax Treaty, is the “beneficial owner” of the payments and is not deemed to carry on business activity in Moldova through permanent establishment located therein.

Additionally, the Double Tax Treaty provides for so-called main purpose test whereby withholding tax exemption in respect of interest shall not apply if it was “the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid” to take advantage of this benefit by means of that creation or assignment.

Under applicable Moldovan law, the Trustee’s residence in the United Kingdom for purposes of the Double Tax Treaty will be evidenced by a certificate issued by the competent authority in the United Kingdom. A fresh tax residency certificate must be obtained by the Trustee for each fiscal period (which is a calendar year). The benefits will not be available under the Double Tax Treaty if the Trustee carries on business in Moldova through a permanent establishment situated therein, and the debt claim in respect of which the payments are made is effectively connected with such permanent establishment. The benefits will also not be available under the Double Tax Treaty for payments of which the Trustee is not the beneficial owner.

Gross-up provisions

If any payments (including payments of premium and interest) under the Guarantees are subject to any withholding tax, the relevant Moldovan Guarantor may, in certain circumstances specified in the Guarantees and subject to certain

exceptions become obliged to pay such additional amounts as may be necessary so that the net payments received by the Noteholders or the Trustee, as the case may be, will not be less than the amount the Noteholders or the Trustee, as the case may be, would have received in the absence of such withholding.

Taxation of interest under the Notes paid by the Issuer

Non-residents

Interest received by individuals and companies who are non-tax residents (“**non-residents**”) of Moldova and do not have a permanent establishment in Moldova (in case of companies) is not subject to taxes in Moldova, provided that such interest income is derived from sources outside of Moldova.

Resident individuals

Interest income derived from the Notes, which is received by individuals who are tax residents of Moldova, is subject to 12 per cent. personal income tax in Moldova. A Guarantor paying interest on Notes to individuals who are tax residents of Moldova is obliged to deduct from each interest and to pay as part of the tax an amount equal to 12 per cent. of the payment. Within the fiscal period the individuals receiving interest on Notes are entitled to claim credits against the income tax in the amount deducted by the Guarantor in respect of interest paid.

Resident companies/permanent establishments

Any interest income received by resident companies or permanent establishments of non-resident companies affects the entity’s financial result and therefore may increase the amount of taxable profit subject to corporate profit tax. Statutory rate for corporate profit tax in Moldova is 12 per cent.

Transfers of the Notes by non-Moldovan investors to Moldovan investors

In case of non-resident individuals, a proportion of 50 per cent. of Moldovan-sourced capital gains derived from trading securities are generally subject to Moldovan withholding tax at 12 per cent. In case of non-resident companies, Moldovan-sourced capital gains derived from trading securities are generally subject to Moldovan withholding tax at 12 per cent., similarly to any other business profits obtained in Moldova.

Non-resident Noteholders are, therefore, likely to be subject to Moldovan withholding tax on any capital gain or income derived from the disposal of the Notes where the proceeds of such disposal are received from a source within Moldova. Non-resident Noteholders may be exempt from Moldovan withholding tax on their capital gains or income derived from the sale of the Notes under an applicable tax treaty, provided that they comply with specific requirements set forth therein and the Tax Code of the Republic of Moldova.

Enforcement of the Moldovan Mortgages

Property Tax

The Moldovan Tax Code prescribes that a non-resident of Moldova who acquires ownership rights in respect of taxable immovable property (including land) or right of use in respect of agricultural land located in Moldova has to register with the Moldovan tax authorities for the purposes of paying the property tax. Therefore, the Mortgages are out of property tax scope. The Security Trustee holding the Moldovan Mortgages is not liable for payment of the property tax, unless it opts to enforce the Moldovan Mortgages by acquiring a title (ownership) to the mortgaged property provided that the relevant Guarantor and the Issuer or other secured creditors did not object against the acquisition of the title. In this case, the Security Trustee will need to register with the Moldovan tax authorities and pay property tax until the mortgaged property is disposed to a third party, or where the mortgaged property is leased to a third party, until the obligation to pay such tax is contractually imposed on the lessee.

Income Tax

If the Security Trustee opts to enforce the Moldovan Mortgages by acquiring a title (ownership) to the mortgaged property and then disposes it to a Moldovan resident, it will be qualified: (i) in case of further disposal of lands and buildings not used in the business activity as capital increase and a withholding tax at the rate of 12 per cent. will apply, and (ii) in case of further disposal of buildings not used in the business activity as a withholding tax on the income of the Security Trustee resulting from the disposal at the rate of 12 per cent. will apply. Similarly, if the Security Trustee opts to enforce the Moldovan Mortgages by acquiring a title (ownership) to the mortgaged property and then selling it to a non-resident, an

income tax at the rate of 12 per cent. shall be paid by the Security Trustee.

Enforcement by Sale to a Third Party

The Moldovan Tax Code currently does not provide a clear tax treatment to be applied to income received by the Security Trustee in the case of the option to enforce the Moldovan Mortgages by selling the mortgaged property to a third party (purchaser) without acquiring ownership. However, the Moldovan Tax authority may treat the income derived from such sale as other income obtained by the Security Trustee from Moldovan source-based activities, and it may be taxable at 12 per cent. withholding tax.

VAT

The disposal of the mortgaged property is generally subject to VAT at the rate of 20 per cent. Such VAT is payable by the acquiring party, provided it is a natural person or legal entity doing business in Moldova and acquires the relevant mortgaged property from a VAT registered Moldovan company.

Enforcement of the Moldovan Pledges

Enforcement by Acquiring Title (Ownership)

If the Security Trustee opts to enforce the Moldovan Pledges by acquiring a title (ownership) to the pledged property and then disposes it to a Moldovan resident, it will be qualified as a withholding tax on the income of the Security Trustee resulting from the disposal at the rate of 12 per cent. will apply. Similarly, if the Security Trustee opts to enforce the Moldovan Pledges by acquiring a title (ownership) to the pledged property and then selling it to a non-resident, an income tax at the rate of 12 per cent. shall be paid by the Security Trustee.

Enforcement by Sale to a Third Party

Under the Moldovan Tax Code, income from the disposal of a pledged property by a non-resident pledgee to a Moldovan resident is generally not subject to Moldovan withholding tax, unless there is a permanent establishment of the non-resident pledgee in Moldova. However, there is a risk that the Moldovan Tax authority may treat the income derived from such sale as other income obtained by the Security Trustee from Moldovan source-based activities (i.e. income from the enforcement of a security instrument, as opposed to income from sale of goods), in which case such income may be taxable at 12 per cent. withholding tax.

VAT

The disposal of the pledged property is generally subject to VAT at the rate of 20 per cent. Such VAT is payable by the acquiring party, provided it is a natural person or legal entity doing business in Moldova and acquires the relevant pledged property from a VAT registered Moldovan company.

Other Taxes and Duties

No Moldovan stamp duty, transfer or any other similar tax will be payable by a Noteholder in respect of the subscription, issue, delivery or transfer of the Notes.

Certain Tax Considerations in Switzerland

The following is a summary of certain material Swiss tax considerations relating to the Notes based on the legislation and administrative practices as of the date of this Information Memorandum. Modifications of the applicable legal regulations may require a re-evaluation of the tax consequences. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in the Notes. The tax treatment for each investor depends on the particular situation. Prospective Noteholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of the Notes.

Swiss Federal Withholding Tax

Payments by the Issuer, of interest on, and repayment of principal of, the Notes, will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes and that the proceeds of the Notes will be used at all times outside Switzerland.

On 3 April 2020, the Swiss Federal Council published a consultation draft on the reform of the Swiss withholding tax system applicable to interest. If enacted in its current form, this consultation draft would, among other things and subject to certain exceptions, replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Under this paying agent-based regime, subject to certain exceptions, (i) all interest payments made by paying agents in Switzerland to individuals resident in Switzerland would be subject to Swiss withholding tax, including any such interest payments made on bonds or notes issued by issuers outside Switzerland, and (ii) interest payments to all other persons, including to investors resident outside Switzerland, would be exempt from Swiss withholding tax. However, the results of the consultation, which ended on 10 July 2020, were controversial. Consequently, on 15 April 2021, the Swiss Federal Council submitted a new draft on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Federal Parliament which legislation was accepted by the Swiss Parliament on 17 December 2021. The proposed legislation was rejected in a referendum held on 25 September 2022. In view of the rejection of this legislation, the Swiss Federal Council could again propose a paying agent-based regime as contemplated by the draft legislation published on 3 April 2020. If such legislation were to be enacted and were to result in the deduction of withholding of Swiss withholding tax on any payment in respect of a Note by any person in Switzerland other than the Issuer, the holder of such Note would not be entitled to any additional amounts with respect to such Note as a result of such deduction or withholding under the terms of the Notes.

Swiss Federal Securities Transfer Tax

Purchases or sales of the Notes where a Swiss or a Liechtenstein domestic bank or a Swiss or Liechtenstein domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal securities transfer tax on dealings in securities at a rate of up to 0.3 per cent. of the purchase price of the Notes. *Income Taxation on Principal or Interest paid on Notes Held by Non-Swiss Holders*

Payments by the Issuer, the Guarantors or any guarantor which accedes to the Trust Deed of interest and repayment of principal to, and gain realised on the sale or redemption of the Notes by a Noteholder who is not a resident of Switzerland and who during the relevant tax year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable to and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

Automatic exchange of information in Tax Matters

Switzerland has concluded a multilateral agreement with the European Union (the “EU”) on the international automatic exchange of information (“AEOI”) in tax matters, which applies to all EU member states. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information (“MCAA”), and a number of bilateral AEOI agreements with other countries, most of them on the basis of the MCAA. Based on these agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, held in, and income derived thereon and credited to, accounts or deposits (including Notes held in such accounts or deposits) with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect, or signed but not yet in effect, can be found on the website of the State Secretariat for International Financial Matters SIF.

Certain Tax Considerations in Ukraine

General

The following summary is included for general information only. Potential investors in the Notes and the Noteholders should consult their own tax adviser as to the tax consequences under the laws of Ukraine of the acquisition, ownership and disposition of the Notes. This summary is based upon the Ukrainian tax laws and regulations as in effect on the date of this Information Memorandum. Such laws and regulations are subject to change or varying interpretations, possibly with retroactive effect. As with other areas of Ukrainian legislation, tax law and practice in Ukraine is not as clearly established as that of more developed jurisdictions. It is possible, therefore, that the current interpretation of the law or understanding of the practice may change or that the law may be amended with retroactive effect. Accordingly, it is possible that payments to be made to the Noteholders could become subject to taxation or that rates currently in effect with respect to such payments could be increased in ways that cannot be anticipated as at the date of this Information Memorandum.

Payment under the Suretyships

If the Initial Ukrainian Guarantor makes any payments under the Notes, such payments (or a part thereof corresponding to the interest under the Notes) could be viewed as Ukrainian-sourced income of the recipient of such payments and, thereby, may be subject to 15 per cent. withholding tax unless such payments can be subject to a reduced rate or exemption under the respective double tax treaty.

Ukrainian tax legislation does not specifically list payments under the Suretyships as Ukrainian sourced income of the non-resident beneficiary of such payments. Therefore, payments made by the Ukrainian Guarantors under the Suretyships may be given the same tax treatment as the “original” payments in respect of the Notes (such as principal, interests, default interests, indemnities, etc.).

Under this interpretation, the part of the payment under a Suretyship representing a principal amount of the Notes should be treated as the principal amount, and, therefore, should not be subject to withholding tax; the part representing interest on the Notes should be treated as interest, and the recipient may potentially benefit from tax relief provided by a relevant tax treaty; and the part representing payment that is neither the principal amount nor the interest should be treated depending on the “original” payment’s legal form and economic substance (in which case there is also a possibility to use beneficial provisions of a relevant tax treaty).

Another approach could be that any payments made under a Suretyship should be considered “other income” notwithstanding what kind of “original” payment in respect of the Notes they represent.

Notwithstanding whether payments under a Suretyship are given the tax treatment of the respective “original” payment due in respect of the Note or it is treated as “other income”, the recipient may enjoy relief provided for by a relevant tax treaty in a form of exemption from, or a reduced rate of, withholding tax. However, particular form of tax relief and conditions for their application may vary depending on the tax treatment of the payments.

If the payments made by the Ukrainian Guarantors under the Suretyships to the Trustee are equally treated as the Trustee’s other income, the Trustee may be exempt from Ukrainian withholding tax under the Article 21 of the Ukraine-UK Double Tax Treaty provided that the Trustee is a resident of the United Kingdom for the purposes of the Ukraine-UK Double Tax Treaty, the principal purpose test is passed, the Trustee is the “beneficial owner” of the payments and does not carry on business in Ukraine through a permanent establishment located in Ukraine.

If the payments made by the Ukrainian Guarantors under the Suretyships to the Trustee are given the same tax treatment as the respective “original” payments due in respect of the Notes, the Trustee may:

- (i) to the extent of the portion that represents principle amount of the Note – be exempt from Ukrainian withholding tax under the Tax Code of Ukraine;
- (ii) to the extent of the portion that represents interest – enjoy the reduced five per cent. Ukrainian withholding tax under Article 11(2) of the Ukraine-UK Double Tax Treaty provided that (i) the arrangement is made on arm’s length basis, (ii) the interest is taxable in the United Kingdom, and (iii) the Trustee is a resident of the United Kingdom for the purposes of the Ukraine-UK Double Tax Treaty, is the “beneficial owner” of the payments and is not deemed to carry on business activity in Ukraine through a permanent establishment located therein. Additionally, the Ukraine-UK Double Tax Treaty provides for the so-called principal purpose test whereby the benefit of the reduced five per cent. rate withholding tax in respect of interest shall not apply if “obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit”;
- (iii) to the extent of the portion that represents amount due in respect of the Notes other than the principle amount and interest – be exempt from Ukrainian withholding tax under, depending on the legal form and economic substance of the “original” payment, either the Tax Code of Ukraine (if the “original” payment is legally structured as and economically represents service fees) or the Article 21 of the Ukraine-UK Double Tax Treaty (if the “original” payment is legally structured as and economically represents other item of income).

The Protocol also extends the application of the abovementioned principal purpose test to any kind of tax relief provided for by the Ukraine-UK Double Tax Treaty.

Under applicable Ukrainian law, the Trustee’s residence in the United Kingdom for purposes of the Ukraine-UK Double Tax Treaty will be evidenced by a certificate issued by the competent authority in the United Kingdom. A new tax

residency certificate must be obtained by the Trustee for each calendar year. The benefits will not be available under the Ukraine-UK Double Tax Treaty if the Trustee carries on business in Ukraine through a permanent establishment situated therein, and the debt claim in respect of which the payments are made is effectively connected with such a permanent establishment.

Enforcement of the Ukrainian Mortgage

Property Tax

The Tax Code of Ukraine prescribes that a non-resident of Ukraine who acquires property rights in respect of taxable immovable property (including land) located in Ukraine has to register with the Ukrainian tax authorities for the purposes of paying the property tax, unless the manner and purpose of such acquisition require setting up a branch or permanent establishment in Ukraine. While the Tax Code does not specify the particular types of “property rights” that require such registration, the Law of Ukraine “On State Registration of Property Rights to Immovable Property and Their Encumbrance” generally provides that mortgages belong to property rights.

However, it would be fair to interpret the respective provision of the Tax Code of Ukraine in the manner limiting “property rights” only to the right of ownership (in respect of any immovable property) and the right of use (in respect of any land). Therefore, holding the Ukrainian Mortgage should not make the Security Trustee liable to the property tax. In case the Security Trustee opts to enforce the Ukrainian Mortgage by acquiring a title (ownership) to the mortgaged property, the Security Trustee will need to register with the Ukrainian tax authorities and pay property tax until the mortgaged property is disposed to a third party.

Withholding Tax

If the Security Trustee opts to enforce the Ukrainian Mortgage by acquiring a title (ownership) to the mortgaged property and then sells the property, income from such sale will be subject to the Ukrainian withholding tax at the rate of 15 per cent. Furthermore, Article 13(1) of the Ukraine-UK Double Tax Treaty directly grants to the state of Ukraine a right to tax capital gains from disposal of immovable property in Ukraine.

There is a discrepancy between the Ukrainian and English versions of the Double Tax Treaty, and between the English version of the Double Tax Treaty and the Tax Code of Ukraine. Specifically, the Ukrainian version of Article 13(1) of the Ukraine-UK Double Tax Treaty and Article 141.4.1 of the Tax Code of Ukraine use term “income from alienation of immovable property” (“*dokhid vid vidchuzhenia nerukhomoho maina*”), while the English version of Article 13(1) of the Ukraine-UK Double Tax Treaty uses term “gains from the alienation of immovable property” (“*dokhody vid pryrostu vartosti maina*”). Application of either term significantly amends taxable base for withholding tax purposes. If treated as “income”, proceeds from the disposal of the mortgaged property received by the Security Trustee are fully taxable by Ukrainian withholding tax. If treated as “gains”, such proceeds are only taxable to the extent that such proceeds exceed the value of the mortgaged property at which it was acquired by the Security Trustee. The Ukrainian tax authorities may take a conservative approach and treat all the proceeds from the disposal of the mortgaged property as the Security Trustee’s income subject to Ukrainian withholding tax.

Enforcement by Sale to Third Party

If the Security Trustee opts to enforce the Ukrainian Mortgage by selling the mortgaged property to a third party (purchaser) without acquiring ownership, the tax treatment of the Security Trustee income will be rather unclear. An argument can be made that, since the Security Trustee does not acquire ownership to the mortgaged property, and the sale of the mortgaged property in this case is merely aimed at the satisfaction of secured obligations owed to the Security Trustee, the income derived from such sale should either be treated as “other income” or enjoy the same tax treatment as the payments which would have been made if the secured obligations had been duly performed (e.g., as principal amount and interest, respectively). In this case, the Ukrainian tax implications should be the same as described above in “—*Payment under the Suretyships*”.

At the same time, there is likelihood that the Ukrainian tax authorities would take a conservative view and treat the income from such sale as the income from the disposal of immovable property fully taxable in Ukraine at the rate of 15 per cent.

VAT

The disposal of the mortgaged property is generally subject to VAT at the rate of 20 per cent. (except where a mortgagee is a bank or other financial institution, which disposes the mortgaged property upon the acquisition of ownership to such

property in the course of the enforcement).

Enforcement of the Ukrainian Pledges

Under the Tax Code of Ukraine, income from the disposal of a pledged property by a non-resident pledgee is subject to Ukrainian withholding tax at the rate of 15 per cent., unless the relevant double tax treaty provides otherwise. If the Security Trustee opts to enforce the Ukrainian Pledges by acquiring a title (ownership) to the pledged property, any gains derived by the Security Trustee from the sale of such movable property will be exempt from Ukrainian withholding tax provided that (i) such gains are taxable in the United Kingdom, (ii) the Security Trustee is a resident of the United Kingdom for the purposes of the Ukraine-UK Double Tax Treaty, (iii) the Security Trustee is the “beneficial owner” of the payments and sold movable property does not form a part of the business property of a permanent establishment of the Security Trustee in Ukraine, and (iv) the principal purpose test is passed.

If the Security Trustee opts to enforce the Ukrainian Pledges by selling the pledged property to a third party (purchaser) without acquiring ownership over the pledged property, the Ukrainian tax implications should be the same as described above in “- *Payment under the Suretyships*”.

The disposal of a pledged property is generally subject to VAT at the rate of 20 per cent. (except where a pledgee is a bank or other financial institution, which disposes a pledged property upon the acquisition of ownership to such property in the course of the enforcement).

Taxation of interest under the Notes paid by the Issuer

Non-residents

Interest received by individuals and companies who are non-tax residents of Ukraine and do not have a permanent establishment in Ukraine (in case of companies) is not subject to tax in Ukraine, provided that such interest income is derived from sources outside of Ukraine.

Resident individuals

Interest income derived from the Notes, which is received by individuals who are tax residents of Ukraine, is subject to 18 per cent. personal income tax and 1.5 per cent. military tax in Ukraine.

Resident companies/permanent establishments

Any interest income received by resident companies or permanent establishments of non-resident companies affects the entity’s financial result and therefore may increase the amount of taxable income subject to corporate income tax. Statutory rate for corporate income tax in Ukraine is 18 per cent.

Transfers of the Notes by non-Ukrainian investors to Ukrainian investors

Ukrainian-sourced capital gains derived from trading securities are generally subject to Ukrainian withholding tax at 15 per cent. in the case of non-resident companies and at the rate of 18 per cent. in the case of non-resident individuals. In the latter case, military tax at the rate of 1.5 per cent. additionally applies. Starting from 1 July 2020, capital gains from disposal of securities, which are publicly traded on stock exchanges from the list adopted by the Cabinet of Ministers of Ukraine, are generally not treated as taxable income of non-residents. However, the applicable law is not sufficiently clear in respect of whether this exemption applies to debt securities. Ukrainian tax authorities have not issued any clarifications on this issue as of the date of this Information Memorandum.

Non-resident Noteholders are, therefore, likely to be subject to Ukrainian withholding tax on any capital gain on the disposal of the Notes where the proceeds of such disposal are received from a source within Ukraine that is when Ukrainian investors (residents of Ukraine or permanent establishments of non-residents in Ukraine) pay for the Notes, provided that the Notes are not traded on a stock exchange from the list adopted by the Cabinet of Ministers of Ukraine. Non-resident Noteholders may be exempt from Ukrainian withholding tax on their capital gains from the sale of the Notes under applicable tax treaty, provided that they comply with specific requirements set forth therein and the Tax Code of Ukraine.

Income of non-residents on transactions without monetary consideration (including exchange of notes with non-residents) should be multiplied by 1.17647 (in case of non-resident companies) or 1.21951 (in case of non-resident individuals) for purposes of calculation of tax liabilities.

Other Taxes and Duties

No Ukrainian stamp duty, transfer or any other similar tax will be payable by a Noteholder in respect of the subscription, issue, delivery or transfer of the Notes.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, ING Bank N.V., Oppenheimer Europe Ltd.(the “**Joint Global Coordinators and Joint Bookrunners**”) and Raiffeisen Bank International AG and UniCredit Bank GmbH (together with the Joint Global Coordinators and Joint Bookrunners, the “**Joint Bookrunners**”) have, pursuant to a Subscription Agreement dated 15 November 2024 (the “**Subscription Agreement**”), on a several but not joint and several basis, agreed with the Issuer and the Initial Guarantors, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes.

In addition, the Issuer and the Initial Guarantors have agreed to pay or reimburse the Joint Bookrunners for their costs, fees and expenses in connection with the issue of the Notes. The Issuer and the Initial Guarantors have in the Subscription Agreement agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue of Notes.

The Joint Bookrunners and their respective affiliates have performed and are expected to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non-public market financing for, and enter into derivative transactions with, the Parent and its affiliates (including its shareholders).

The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement to subscribe Notes prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Closing Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer, the Initial Guarantors or the Joint Bookrunners in respect of any expense incurred or loss suffered in these circumstances.

Other Investors

The management is negotiating framework agreements with certain development finance institutions (“**DFIs**”) according to which such DFIs may purchase Notes up to a maximum amount of U.S.\$30 million. If agreed and signed such framework agreements are expected to include, among other things, certain undertakings by the Issuer and the Parent, including the Parent’s undertaking to comply with environmental and social requirements of DFIs. For the avoidance of doubt, DFIs will be under no obligation to acquire any Notes notwithstanding the Issuer, the Parent and such DFIs having entered into the framework agreements.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by the Joint Bookrunners, the Issuer or the Guarantors that would permit a public offering of the Notes, or possession or distribution of this Information Memorandum (in preliminary, proof or final form) or any amendment thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The United States

The Notes and the Initial Guarantees (the “**Securities**”) have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Securities are being offered and sold outside of the United States in reliance on Regulation S. The Subscription Agreement provides that the Joint Bookrunners may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Securities within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the Offering of the Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Certain Joint Bookrunners are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that such Joint Bookrunners intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has severally represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For these purposes the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has severally represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Each Joint Bookrunner has severally represented, warranted and agreed that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services Markets Act 2000 (“**FSMA**”) and the regulations adopted thereunder with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Initial Guarantors.

Cyprus

Each Joint Bookrunner has severally represented, warranted and agreed that:

- (a) it has not and will not, offer, sell or deliver the Notes, and has not distributed and will not distribute in the Republic of Cyprus any document, circular, advertisement or other offering material, except under circumstances which will result in compliance with the Prospectus Regulation (EU) 2017/1129 and any other applicable laws and regulations in effect at the relevant time;
- (b) it has complied and will comply with all applicable provisions of the Prospectus Regulation (EU) 2017/1129 with respect to anything done by it in relation to the Notes in, from or otherwise involving the Republic of Cyprus; and
- (c) it has not and will not provide from within Cyprus any “investment services” and “ancillary services” or perform any “investment activities” (as these are defined in the Investment Services and Activities and Regulated Markets Law 2017, as amended (the “**Investment Services Law 2017**”), or if it provides investment services and “ancillary services” or performs any “investment activities” it will be authorised accordingly to do so, except under circumstances which will result in compliance with the Investment Services Law 2017 and any other applicable laws and regulations in effect at the relevant time.

Moldova

Each Joint Bookrunner has severally represented, warranted and agreed that it will not offer the Notes for circulation, distribution, placement, sale, purchase or other transfer in the territory of Moldova.

Ireland

Each Joint Bookrunner has severally represented, warranted and undertaken that:

- (a) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the “**MiFID II Regulations**” including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof, or any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Prospectus Regulation (EU) 2017/1129, the European Union (Prospectus) Regulation 2019, as amended, and any rules and guidance issued by the Central Bank of Ireland under Section 1363 of the Companies Act; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

Switzerland

Each Joint Bookrunner has severally represented, warranted and agreed to the Issuer that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Information Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Information Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Ukraine

Each Joint Bookrunner has severally represented, warranted and agreed that it will not offer the Notes for circulation, distribution, placement, sale, purchase or other transfer in the territory of Ukraine.

Singapore

Each Joint Bookrunner has severally acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has severally represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Tender Offer and Priority Allocation

On 28 October 2024, pursuant to the Tender Offer and Consent Solicitation Memorandum, the Issuer invited holders of the 2026 Notes to: (i) tender any or all of the 2026 Notes held by them for purchase by the Issuer for cash; and (ii) concurrently consent to amend by extraordinary resolution the terms and conditions of the 2026 Notes to, among other

things, provide for the Mandatory Early Redemption, all on the terms and subject to the conditions set out in the Tender Offer and Consent Solicitation Memorandum. Holders of the 2026 Notes that wish to subscribe for Notes, in addition to participating in the Tender Offer and Consent Solicitation, may request to receive priority in the allocation of the Notes, subject to the completion of the Tender Offer and Consent Solicitation and the other terms and conditions set out in the Tender Offer and Consent Solicitation Memorandum. See “—*Allocations of Notes*”.

Allocations of Notes

The Issuer (acting jointly with the Parent) will, in connection with the allocation of the Notes, consider among other factors, whether or not the relevant investor seeking an allocation of Notes has validly tendered the 2026 Notes held by it or validly tendered the 2026 Notes held by it and voted in favour of the Mandatory Early Redemption, or indicated a firm intention to tender the 2026 Notes or to tender the 2026 Notes and vote in favour of the Mandatory Early Redemption, pursuant to the Tender Offer and Consent Solicitation, and, if so, the aggregate principal amount of such 2026 Notes tendered or tendered and voted in favour, or intended to be tendered or tendered and voted in favour (as the case may be), by such investor. When considering allocations of 2026 Notes, the Issuer (acting jointly with the Parent) intends to look favourably upon those investors who have, pursuant to the Tender Offer and Consent Solicitation and prior to the allocation of Notes, tendered 2026 Notes or tendered 2026 Notes and voted in favour of the Mandatory Early Redemption, or indicated either such intention to the Issuer or the Dealer Managers (as defined in the Tender Offer and Consent Solicitation Memorandum); however, the Issuer is not obliged to allocate the Notes to any investor whether or not it has validly tendered 2026 Notes or validly tendered 2026 Notes and voted in favour of the Mandatory Early Redemption, or indicated a firm intention to tender 2026 Notes or tender 2026 Notes and vote in favour of the Mandatory Early Redemption, pursuant to the Tender Offer and Consent Solicitation. Any allocations of Notes, while being considered by the Issuer (acting jointly with the Parent) as set out above, will be made in accordance with customary allocation processes and procedures.

TRANSFER RESTRICTIONS

In connection with its purchase of Rule 144A Notes, any purchaser thereof (an “Investor”), by virtue of its acceptance of this Information Memorandum, will be deemed to represent, acknowledge and agree as follows:

1. It is (a) QIB, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
2. It understands that the Rule 144A Notes have not been and will not be registered under the Securities Act and are “restricted securities” within the meaning of Rule 144 under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
3. It understands that such Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE AND THE GUARANTEES IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

4. The Issuer, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Rule 144A Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
5. It understands that the Notes offered in reliance on Rule 144A will be represented by the DTC Restricted Global Note. Before any interest in the DTC Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Unrestricted Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC. The Common Code, the ISIN and CFI numbers for the Regulation S Notes are 293278768, XS2932787687 and DBFNFR, respectively. The Common Code, ISIN, CUSIP and CFI numbers for the Rule 144A Notes are 293126887, US03851RAC88 and DBFGGR, respectively. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, United States.
2. It is expected that the Notes will be included in trading on the Vienna MTF or around 20 November 2024, subject only to the issue of the Notes. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The expenses related to the inclusion of the Notes in trading on the Vienna MTF are expected to be approximately €7,800.
3. For as long as any Notes are outstanding, copies (and certified English translations where documents at issue are not in English) of the following documents are available for inspection by appointment during normal business hours at the registered office of the Issuer during usual business hours on any business day (Saturdays, Sundays and public holidays excepted) and on request by Noteholders to the Registrar by emailing corpsov2@bnymellon.com:
 - (a) a copy of this Information Memorandum;
 - (b) the constitution of the Issuer and each of the Guarantors;
 - (c) the memorandum and articles of association of each of the Guarantors;
 - (d) the 2024 Audited Consolidated Financial Statements and the 2023 Audited Consolidated Financial Statements, in each case together with the audit reports prepared in connection therewith;
 - (e) the Trust Deed;
 - (f) the Agency Agreement;
 - (g) the Security Documents; and
 - (h) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Information Memorandum.
4. The issue of the Notes was authorised by a decision of the Board of Directors of the Issuer on 24 October 2024 and the Initial Guarantees have been authorised by decisions of the authorised bodies of Reniyskiy Elevator A.L.C. on 27 October 2024 and 14 November 2024 as Initial Surety and TOI Commodities SA as Initial Guarantor on 24 October 2024; decisions of the authorised bodies of “Agrofloris-Nord” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Anengrain-Group” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Flograin Group” S.R.L. on 24 October 2024 and 14 November 2024, “Molgranum” S.R.L. on 24 October 2024 and 13 November 2024, I.C.S. “Trans Bulk Logistics” S.R.L. on 24 October 2024 and 13 November 2024, S.C. “Trans Cargo Terminal” S.R.L. on 24 October 2024 and 13 November 2024, I.C.S. “Uleinord” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Unco-Cereale” S.R.L. on 24 October 2024 and 14 November 2024, I.M. “Trans Oil Refinery” S.R.L. on 24 October 2024 and 14 November 2024, I.C.S. “Kelley Grains Corporation” S.R.L. on 24 October 2024 and 14 November 2024, “Floarea Soarelui” S.A. on 25 October 2024 and 14 November 2024, Combinatul de cereale “Aur Alb” S.A. on 21 October 2024 and 14 November 2024, “Elevator Kelley Grains” S.A. on 18 October 2024 and 13 November 2024, “Elevatorul Iargara” S.A. on 23 October 2024 and 13 November 2024, I.C.S. “FFA Trans Oil Ltd”, S.R.L. on 24 October 2024 and 14 November 2024, “Prut” S.A. on 23 October 2024 and 14 November 2024, Visions Holding SA on 24 October 2024 and Stareverest Trading & Investment Limited on 25 October 2024 and 14 November 2024 as Initial Guarantors; and decisions of shareholders of Aragvi Holding International Ltd on 25 October 2024 and 14 November 2024 and decisions of the Board of Directors of Aragvi Holding International Ltd on 25 October 2024 and 14 November 2024.
5. No consents, approvals, authorisations or orders of any regulatory authorities other than as disclosed in this Information Memorandum are required by the Issuer under the laws of Ireland for issuing the Notes.

6. Save for the fees payable to the Joint Bookrunners, the Trustee and the Agents, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest that is material to the issue of the Notes.
7. There has been no significant change in the financial or trading position of the Group since 30 June 2024 and no material adverse change in the financial position or prospects of the Group since 30 June 2024.
8. There has been no significant change in the financial or trading position of the Issuer since 30 June 2024 and no material adverse change in the financial position or prospects of the Issuer since 30 June 2024.
9. There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the previous 12 months in relation to the Issuer, which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.
10. The consolidated financial statements of Aragvi Holding International Ltd. and its subsidiaries (the Group) as of and for the years ended 30 June 2024, 2023 and 2022 included in this Information Memorandum, have been audited by KPMG Limited, independent auditors, as stated in their report herein.
11. The Initial Guarantors have obtained all necessary consents, approvals and authorisations in Cyprus, Moldova, Ukraine and Switzerland in connection with its entry into, and performance of its obligations under, the Trust Deed and the Agency Agreement.
12. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with its entry into, and performance of its obligations under, the Trust Deed and the Agency Agreement.
13. The language of this Information Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
14. The Issuer does not intend to provide any post-issuance transaction information regarding the Notes.
15. The Bank of New York Mellon SA/NV, Dublin Branch will act as Registrar in relation to the Notes.
16. There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of the Issuer towards the Issuer and their private interests and/or other duties. There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of any of the Guarantors towards the relevant Guarantor and their private interests and/or other duties.
17. The Joint Bookrunners and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services of the Issuer or the Guarantors in the ordinary course of business. In the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and the Guarantors.

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ARAGVI HOLDING INTERNATIONAL LTD

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING
STANDARDS AS ADOPTED BY THE
EUROPEAN UNION**

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Vaja Jhashi Executive Managing Director
	Asif Javed Chaudhry Non-Executive Director
	Cem Osmanoglu Non-Executive Director
	Alain Stephane Robert Dorthe Non-Executive Director
	Tommy Gade Jensen Non-Executive Director
Company Secretary:	Eleni Karra
Independent Auditors:	KPMG Limited Chartered Accountants Millenium Lion House, 1 G. Aradippioti Street, P.O Box 40075, 6016, Larnaca, Cyprus.
Registered Office:	Menandrou 4, GALA Tower, Floor 2, 1066, Nicosia, Cyprus.
Registration Number:	HE 308295

**ARAGVI HOLDING INTERNATIONAL LIMITED
MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2024**

The Board of Directors and management of Aragvi Holding International Limited presents to the members their report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 30 June 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The management is responsible for ensuring that the Company keeps accounting records, which comply with local laws and regulations and also Aragvi Holding International Limited internal regulations and enables it to prepare financial statements in accordance with IFRS as adopted by the EU, which disclose fairly, in all material respects, its financial position and results of operations and cash flows in accordance with IFRSs as adopted by the EU. Management also has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The management considers that, in preparing the consolidated financial statements set out on pages 9 to 85, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that, appropriate International Financial Reporting Standards as adopted by the EU have been complied with.

Incorporation

The Company Aragvi Holding International Limited was incorporated in Cyprus on 21 June 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are:

- Oilseeds processing
- Grains origination and marketing
- Transshipment & freight services

Changes in group structure

No changes in group structure have occurred during financial year 2024.

Examination of the development, position, and performance of the activities of the Group

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

The most important developments of the Group are:

- Finalization of construction of a brand-new sunflower oil bottling line at Floarea Soarelui SA, Balti, Republic of Moldova.
- Global Grain International SRL secured EUR 25 million Romanian Government Aid through National Program INVESTALIM. The granted state aid will be allocated towards the construction of a state-of-the-art processing facility in Ialomita County. This new plant is designed to process up to 300,000 tons of soybeans or rape seeds annually, bolstering Romania's agricultural processing capabilities and contributing to the local economy. The overall costs to build the processing facility are projected to reach up to 212 million RON (approximately EUR 43 million).

Revenue

- The Group's revenue for the year ended 30 June 2024 was US\$2,309,707 thousand (2023: US\$2,134,338 thousand).

Financial Results

- The Group's results for the year are set out on page 11.

Dividends

The Board of Directors does not propose the payment of dividend for the year ended 30 June 2024.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group and the steps taken to manage these risks are described in note 5 of the consolidated financial statements.

Future developments of the Group

At the moment, the Group is considering the options available for construction of a soybean processing facility in Romania, alongside with increasing the production capacity of sunflower seeds processing at Floarea Soarelui SA, Balti. In addition, the Group is continuously seeking for offers for the acquisition of additional motor vessels, barges in order to develop its own fleet.

Otherwise, the Board of Director does not expect any significant changes or developments in the operations, financial position, and performance of the Group in the foreseeable future.

Use of financial instruments by the Group

The Group is exposed to various risks from the financial instruments it holds.

The Group's financial risk management objectives and policies are established to strictly monitor and control all risks faced by the Group while achieving its goals. The most significant risks are disclosed in note 5.

Interest rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Credit risk related to trade receivables: this is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Group does not hold collateral as security.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Research and development activities

The Group did not carry out any research and development activities during the year.

Share capital & Treasury shares

The Company did not make any acquisitions of its own shares either itself directly or through a person acting in his own name or on the Company's behalf.

Branches

During the year ended 30 June 2024, the Group opened a new subsidiary, Aragvi International Corporation, registered in United States of America, Washington DC.

Board of Directors

The Company's Board of Directors structure as at 30 June 2024 and at the date of this report is presented on page 1. In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Mr. Frappat resigned from the position of Director of Aragvi Holding International Ltd effective from 10 April 2024, having presented to the Board of Directors its letter of resignation from the said post.

There were no significant changes in the assignment of responsibilities and in the remuneration of the Board of Directors.

Operating Environment of the Group

Any significant events that relate to the operating environment of the Group are described in note 31 to the consolidated financial statements.

Subsequent Events

Any significant events that occurred after the end of the reporting period are described in Note 34 to consolidated financial statements.


Related party balances and transactions

Disclosed in note 29 of the consolidated financial statements.

Independent Auditors

The Independent Auditors, KPMG Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


Vaja Jhashi
Bucharest, 25 October 2024



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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LTD

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aragvi Holding International Ltd (the "Company") and its subsidiaries (the "Group"), which are presented on pages 9 to 86 and comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113 (the "Companies Law, Cap. 113").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the Group in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LTD

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap. 113.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the consolidated management report, our report in this regard is presented in the "Report on other legal requirements" section.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease the Group's operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LTD

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LTD

Report on other legal requirements

Pursuant to the additional requirements of the Auditors Law 2017, L.53(I)/2017, as amended from time to time ("Law L.53(I)/2017"), and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In the light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the management report.



Paris S. Elia, BA (Hons), FCA

Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
1 G. Aradippioti Str, 6016, Larnaca Cyprus

25 October 2024

ARAGVI HOLDING INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
ASSETS			
Non-current assets			
Intangible assets and Goodwill	8	51,272	51,273
Property, plant and equipment	7	<u>467,868</u>	<u>467,359</u>
		<u>519,140</u>	<u>518,632</u>
Current assets			
Inventories	10	526,742	483,611
Forward contracts assets	9	105,653	112,425
Trade and other receivables	11	471,526	375,540
Cash and cash equivalents	13	<u>134,203</u>	<u>67,757</u>
		<u>1,238,124</u>	<u>1,039,333</u>
Total assets		<u><u>1,757,264</u></u>	<u><u>1,557,965</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital and premium	14	20,455	20,455
Retained earnings		580,947	514,042
Currency translation reserve		(9,217)	(5,915)
Fair value reserves		<u>84,029</u>	<u>84,029</u>
		<u>676,214</u>	<u>612,611</u>
NON-CONTROLLING INTEREST		<u>24,434</u>	<u>23,722</u>
Total equity		<u>700,648</u>	<u>636,333</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
LIABILITIES			
Non-current liabilities			
Borrowings	15	103,928	78,653
Bonds issued	16	492,200	488,659
Bond premium	17	2,557	3,781
Lease liabilities	12	11,873	11,893
Deferred tax liabilities	27	35,031	34,475
Advances received	-	<u>85</u>	<u>117</u>
		<u>645,674</u>	<u>617,578</u>
Current liabilities			
Borrowings	15	276,651	176,809
Trade and other payables	18	124,790	106,241
Forward contract liabilities	9	2,564	18,760
Lease liabilities	12	891	700
Provisions	19	<u>6,046</u>	<u>1,544</u>
		<u>410,942</u>	<u>304,054</u>
Total liabilities		<u>1,056,616</u>	<u>921,632</u>
Total equity and liabilities		<u>1,757,264</u>	<u>1,557,965</u>

These consolidated financial statements have been approved for issue by the Board of Directors on 25 October 2024 and signed on their behalf by:


Vaja Jhashi
Chief Executive Officer


Alain Stephane Dorthe
On behalf of Board of Directors

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Revenue	20	2,309,707	2,134,338
Cost of sales	21	<u>(1,919,740)</u>	<u>(1,774,746)</u>
Gross profit		389,967	359,592
Other income	25	8,562	10,410
Selling and distribution costs	22	(173,043)	(175,202)
General and administrative expenses	23	(28,949)	(25,801)
Other losses - net	24	<u>(8,987)</u>	<u>(9,305)</u>
Operating profit		187,550	159,694
Net finance costs	26	<u>(98,090)</u>	<u>(67,857)</u>
Profit before tax		89,460	91,837
Income tax expense	27	<u>(21,843)</u>	<u>(18,438)</u>
Profit for the year		<u>67,617</u>	<u>73,399</u>
Profit attributable to			
Owners of the Company		66,905	72,575
Non-controlling interest		<u>712</u>	<u>824</u>
Profit for the year		<u>67,617</u>	<u>73,399</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on revaluation of property, plant and equipment		-	42,204
Related tax		-	(3,742)
Other comprehensive income		<u>-</u>	<u>38,462</u>
Currency translation reserve		(3,302)	1,179
Total comprehensive income for the year		<u>64,315</u>	<u>113,040</u>
Attributable to:			
- Owners of the Company		63,603	112,216
- Non-controlling interest		<u>712</u>	<u>824</u>
Total comprehensive income for the year		<u>64,315</u>	<u>113,040</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Attributable to equity holders of the Company</u>							
	Ordinary shares	Share premium	Revaluation reserve	Retained earnings	Translation reserve	Total	Non-controlling Interest	Total Equity
Balance as at 30 June 2022/ 1 July 2022	<u>18</u>	<u>20,437</u>	<u>45,567</u>	<u>441,467</u>	<u>(7,094)</u>	<u>500,395</u>	<u>22,898</u>	<u>523,293</u>
Total comprehensive income								
Net profit for the year	-	-	-	72,575	-	72,575	824	73,399
Currency translation reserve	-	-	-	-	1,179	1,179	-	1,179
Fixed assets revaluation surplus, net of tax	-	-	38,462	-	-	38,462	-	38,462
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>38,462</u>	<u>72,575</u>	<u>1,179</u>	<u>112,216</u>	<u>824</u>	<u>113,040</u>
Balance as at 30 June 2023	<u>18</u>	<u>20,437</u>	<u>84,029</u>	<u>514,042</u>	<u>(5,915)</u>	<u>612,611</u>	<u>23,722</u>	<u>636,333</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

Attributable to equity holders of the Company

	Ordinary shares	Share premium	Revaluation reserve	Retained earnings	Translation reserve	Total	Non- controlling Interest	Total Equity
Balance as at 30 June 2023/ 1 July 2023	<u>18</u>	<u>20,437</u>	<u>84,029</u>	<u>514,042</u>	<u>(5,915)</u>	<u>612,611</u>	<u>23,722</u>	<u>636,333</u>
Total comprehensive income								
Net profit for the year	-	-	-	66,905	-	66,905	712	67,617
Currency translation reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,302)</u>	<u>(3,302)</u>	<u>-</u>	<u>(3,302)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,905</u>	<u>(3,302)</u>	<u>63,603</u>	<u>712</u>	<u>64,315</u>
Balance as at 30 June 2024	<u>18</u>	<u>20,437</u>	<u>84,029</u>	<u>580,947</u>	<u>(9,217)</u>	<u>676,214</u>	<u>24,434</u>	<u>700,648</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Cash flows from operating activities			
Net profit before taxation		89,460	91,837
Adjustments for:			
Movement in allowance for doubtful receivables	22	(4,768)	734
Depreciation and amortization	21 - 24	24,927	20,325
Fair value (gain)/loss on forward contracts	9	(12,780)	3,599
Impairment of assets	24	-	5,679
Gains from write off of expired trade payables	25	(47)	(44)
Loss on disposal of fixed assets	24	122	249
Unrealised foreign exchange gain net	26	2,707	(9,421)
Loan interest unwinding	26	1,351	1,263
Interest and bank commission expense	26	<u>92,313</u>	<u>74,553</u>
Cash flows from operations before working capital changes		193,285	188,774
Changes in working capital:			
(Increase)/decrease in inventories	10	(43,131)	399
(Increase)/decrease in trade and other receivables	11	(95,986)	4,875
Increase in trade and other payables	18	<u>18,549</u>	<u>33,102</u>
Cash from operating activities		72,717	227,150
Income tax (paid)		<u>(14,168)</u>	<u>(19,531)</u>
Net cash from operating activities		58,549	207,619
Cash flows from investing activities			
Purchases of property, plant and equipment		(22,378)	(40,300)
Net cash used in investing activities		<u>(22,378)</u>	<u>(40,300)</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Cash flows from financing activities			
Interest and other finance costs paid		(86,935)	(69,745)
Proceeds from loans and borrowings		324,385	150,709
Repayments of loans and borrowings		(202,916)	(255,228)
Payments of lease liabilities	4.17	<u>(1,435)</u>	<u>(1,254)</u>
Net cash from / (used in) financing activities		<u>33,099</u>	<u>(175,518)</u>
Net increase/ (decrease) in cash and cash equivalents		69,270	(8,199)
Effect of exchange rate fluctuations on cash movements		(2,824)	(2,904)
Cash and cash equivalents as at 1 July 2023/2022		<u>67,757</u>	<u>78,860</u>
Cash and cash equivalents as at 30 June 2024/2023	13	<u>134,203</u>	<u>67,757</u>

The notes on pages 11 to 86 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION

Aragvi Holding International Ltd (“the Company”) is domiciled in the Republic of Cyprus with a juridical address Aphrodites 25, Room 204, P.C.1666, Nicosia, Cyprus. The Company Aragvi Holding International Ltd was incorporated in the Republic of Cyprus on 21 June 2012 as a limited liability Company under registration number HE 308295. Its registered office is at Menandrou, 4 Gala Tower, 2nd floor, 1066, Nicosia, Cyprus.

The Company acquired its subsidiaries through a business combination and common control transaction. The consideration held by the shareholder of the Company in the subsidiaries of the Group was subscribed as contribution in kind to the share capital of the Company upon its incorporation.

The consolidated financial statements of the Group as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together refer to as a ‘Group’ and individually as ‘Group entities’).

The Group’s principal activities are oilseeds processing, grains and origination, marketing and transshipment and freight services.

The Group’s financial year is from 1 July to 30 June. This set of consolidated financial statements has been prepared for the year ended 30 June 2024.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

As at 30 June 2024 and 30 June 2023, the primary subsidiaries of the Group and principal activities of the Subsidiaries consolidated by the Company were as follows:

Entity	Principal Activity	Country of in corporation	Shareholding, %
Visions Holding SA	Holding company	Switzerland	100.00
Stareverest Trading & Investment Limited	Holding company	Cyprus	100.00
Trezeme Limited	Holding company	Cyprus	100.00
Amableus Limited	Holding company	Cyprus	100.00
ICS Kelley Grains Corporation SRL	Holding company	Moldova	100.00
Danube Oil Company SRL	Oils seeds crushing plant	Moldova	100.00
IM Trans Oil Refinery SRL	Oils seeds crushing plant	Moldova	100.00
Floarea Soarelui SA	Oils seeds crushing plant	Moldova	84.66
SC Trans Cargo Terminal SRL	Free trade zone resident. Port grain elevator. Provision of grain and oilseed forwarding services.	Moldova	100.00
ICS Trans Bulk Logistics SRL	Free trade zone resident. Port grain elevator. Provision of grain and oilseed forwarding services.	Moldova	100.00
ICS FFA Trans Oil Ltd SRL	Wholesale grains trading company	Moldova	100.00
TOI Commodities SA	Wholesale grains trading company	Switzerland	100.00
Elevator Kelley Grains SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	89.77
Combinatul de Cereale Aur Alb SA	Grain elevator. Flour meal. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	63.52
Combinatul de Produse Cereale Prut SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	85.79
Elevatorul Iargara SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	89.73
ICS Flograin Group SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
ICS Anengrain - Group SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
ICS Unco-Cereale SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
IM Prut SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	61.93
Molgranum SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

Entity	Principal Activity	Country of in corporation	Shareholding, %
SC Floarea-Soarelui Comert SRL	Dealership of bottled oil	Moldova	100.00
Reniyskiy Elevator ALC	Free trade zone resident. Port grain elevator. Provision of grain forwarding services.	Ukraine	94.77
Reni-Line LLC	Free trade zone resident. Port grain elevator. Provision of grain forwarding services.	Ukraine	66.70
ICS Uleinord SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
Agrofloris-Nord SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
SC Ceba Grup SRL	Wholesale grains trading company.	Moldova	100.00
Agrotest-Lab SRL	Provision of laboratory services.	Moldova	100.00
Aragvi Finance International DAC	Issuer of the bonds.	Ireland	100.00
Trans-Oil Commodities SRL	Wholesale grains trading company.	Moldova	100.00
Global Grain International SRL	Wholesale grains trading company.	Romania	100.00
HeliosAgri International SA	Oils seeds crushing plant.	Romania	100.00
Victoria Oil d.o.o.	Oils seeds crushing plant.	Serbia	100.00
Balkan Commodities International d.o.o.	Wholesale grains trading company.	Serbia	100.00
Luka-Bačka Palanka d.o.o.	Port grain elevator. Provision of grain forwarding services.	Serbia	100.00
Žito-Bačka Kula d.o.o.	Complex of silo assets.	Serbia	100.00
Granexport d.o.o.	Port grain elevator. Provision of grain forwarding services	Serbia	100.00
TOI Commodities Middle East DWC LLC	Wholesale grains trading company	United Arab Emirates	100.00
TOI Shipping Limited	Shipping company	Marshall Islands	100.00

Seasonality of operations

Generally, the Group is not exposed to significant seasonality factors. The first quarter is usually driven by origination and infrastructure segments that reflect higher volumes in the several months after commencement of the harvesting campaign (July – for early grains and September for crops harvested in autumn).

The fourth quarter of the financial year has seasonally lower sales, which corresponds to the end of the crushing season, lower production levels and liquidating trade finance lines. Also, origination segment experiences decreasing volumes due to lower level of available commodities on Group's main origination markets.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

2 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting as provided to the chief operating decision makers in order to allocate resources to the segment and to assess its performance. The information is obtained from the directors of each subsidiary entity and reviewed by the chief operating decision makers. Segments in the consolidated financial statements are defined in accordance with the type of activity, products sold or services provided.

The Group presents its segment results within three business segments: Origination and Marketing, Crushing and Refining, and Infrastructure. The reason behind this aggregation is to align representation with the management decision making, as business processes within all business segments are not separate and decisions are mostly made to account for the combined effect on several segments.

In Origination and Marketing, the Group reports its operations of buying and selling Grains & Oilseeds, produced oil and meal.

In Crushing and Refining segment, the Group reports the financial results of its 5 crushing plants:

- Floarea Soarelui SA, the biggest crushing plant located in Balti, Republic of Moldova, with crush capacity of 1'200 metric tons of sunflower seeds per day. It also has refining and bottling capacities.
- Trans Oil Refinery SRL, the smallest crushing plant located in Ceadir-Lunga, Republic of Moldova, with crush capacity of 400 metric tons of sunflower seeds per day.
- HeliosAgri International SA, a crushing plant located in Tindarei, Slobozia, Romania, with crush capacity of 650 metric tons of sunflower seeds per day. It also has refining and bottling capacities.
- Victoria Oil d.o.o., located in Sid, Serbia, has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day.
- Danube Oil Company SRL, a new crushing facility in Giurgiulesti port, Republic of Moldova, with a capacity of 700 MT of sunflower seeds per day.

In Infrastructure & Other segment, the Group reports its forwarding operations through its port facilities and its 175 railcars, storage facilities and its own fleet of two dry cargo river barges, one river oil tanker and a handy-max dry cargo motor vessel.

The main port facilities are:

- Trans Cargo Terminal SRL, grain terminal located in Giurgiulesti village, Cahul county, Republic of Moldova, with a transshipment capacity of 1.4 million tons per year;
- Trans Bulk Logistic SRL, oil terminal located in Giurgiulesti village, Cahul county, Republic of Moldova, with a transshipment capacity of 0.2 million tons per year;
- Reni Line LLC and Reniyskiy Elevator ALC, grain terminal located in Reni, Ukraine, with a transshipment capacity of 0.52 million and 0.28 million tons per year;
- Luka-Bačka Palanka d.o.o and Granexport d.o.o., located in Bačka Palanka and Pančevo, Serbia, with a transshipment capacity between 1.2 – 1.5 million tons per year.

TOI Shipping Limited provides freight services of soft commodities traded by the Group, owning a fleet of two dry cargo river barges, one river oil tanker and a handy-max dry cargo motor vessel.

The measurement of profit and loss, assets and liabilities is based on the Group's accounting policies, which are in compliance with IFRS, as adopted by the European Union.

The segment data is calculated as follows:

- Intersegment sales reflect intergroup transactions effected on an arm's length basis.
- Capital expenditure, amortization and depreciation related to property, plant and equipment and intangible assets are allocated to segments when possible.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

2 OPERATING SEGMENTS (CONTINUED)

Key data by operating segment for the year ended 30 June 2024:

	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Intersegment transactions	Total
Revenue	1,845,843	427,124	52,043	(15,303)	2,309,707
Cost of sales	(1,534,346)	(339,729)	(45,665)	-	(1,919,740)
Gross profit	311,497	87,395	6,378	(15,303)	389,967
Other income	8,562	-	-	-	8,562
Selling and distribution costs	(166,043)	(22,303)	-	15,303	(173,043)
General and administrative expenses	(15,163)	(10,972)	(2,814)	-	(28,949)
Other losses – net	(8,987)	-	-	-	(8,987)
Net finance costs	(79,703)	(18,387)	-	-	(98,090)
Income tax expense	(17,737)	(4,106)	-	-	(21,843)
Net profit for the year	32,426	31,627	3,564	-	67,617
Total assets	818,514	691,155	247,595	-	1,757,264
Capital expenditure	823	17,852	3,703	-	22,378
Amortization and depreciation	10,697	6,665	7,565	-	24,927
Liabilities	646,302	368,231	42,083	-	1,056,616

During the year ended 30 June 2024, revenues of approximately USD 107,010 thousand are derived from a single external customer. These revenues are attributed to the Origination and Marketing and the Crushing and Refinery segments. Also, during that period, export sales amounted to 87% of total external sales. For the year ended 30 June 2024, revenue from the Group's top five customers accounted for approximately 16,43 % of total revenue, trade receivables amounted to 24,842,612 USD on which a provision allowance of 131,046 USD was recognized. The Intersegment transactions relates to Infrastructure and Other segment, namely being the Selling and Distribution costs related to services provided to the other main segments - Origination and Marketing and Crushing and Refining.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

2 OPERATING SEGMENTS (CONTINUED)

Key data by operating segment for the year ended 30 June 2023:

	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Intersegment transactions	Total
Revenue	1,529,735	558,039	64,210	(17,646)	2,134,338
Cost of sales	(1,270,995)	(449,061)	(54,690)	-	(1,774,746)
Gross profit	258,740	108,978	9,520	(17,646)	359,592
Other income	10,410	-	-	-	10,410
Selling and distribution costs	(161,249)	(31,599)	-	17,646	(175,202)
General and administrative expenses	(11,586)	(11,784)	(2,431)	-	(25,801)
Other losses – net	(5,021)	-	(4,284)	-	(9,305)
Net finance costs	(49,600)	(18,257)	-	-	(67,857)
Income tax expense	(13,616)	(4,822)	-	-	(18,438)
Net profit for the year	28,078	42,516	2,805	-	73,399
Total assets	977,496	398,522	181,947	-	1,557,965
Capital expenditure	5,148	16,479	18,673	-	40,300
Amortization and depreciation	7,504	6,315	6,506	-	20,325
Liabilities	744,676	119,764	57,192	-	921,632

During the year ended 30 June 2023, revenues of approximately USD 116,127 thousand are derived from a single external customer. These revenues are attributed to Origination and Marketing and Crushing and Refinery segments. Also, during that period, export sales amounted to 87% of total external sales.

For the year ended 30 June 2023, revenue from the Group's top five customers accounted for approximately 21.9 % of total revenue.

The Intersegment transactions relates to Infrastructure and Other segment, namely being the Selling and Distribution costs related to services provided to the other main segments - Origination and Marketing and Crushing and Refining.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

2 OPERATING SEGMENTS (CONTINUED)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

For the year ended 30 June 2024	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Primary geographical markets				
European Union	429,230	94,116	1,300	524,646
Middle East and North Africa (MENA)	705,797	67,094	-	772,891
Asia	130,325	-	-	130,325
Turkey	313,779	21,550	-	335,329
India	211,613	71,032	-	282,645
Serbia	46,934	161,926	17,379	226,239
Republic of Moldova	8,165	11,406	14,804	34,375
Other countries	-	-	3,257	3,257
	1,845,843	427,124	36,740	2,309,707
Major products				
Grains and seeds	1,217,092	-	-	1,217,092
Vegetable oil	564,200	248,990	-	813,190
Oil meal	64,551	109,757	-	174,308
Packed vegetable oil	-	68,377	-	68,377
Port, Storage, Cleaning and Drying Services	-	-	17,108	17,108
Other products	-	-	19,632	19,632
	1,845,843	427,124	36,740	2,309,707
Timing of revenue recognition				
Products transferred at a point in time	1,845,843	427,124	19,632	2,292,599
Services transferred over a period of time	-	-	17,108	17,108
	1,845,843	427,124	36,740	2,309,707
Total revenue	1,845,843	427,124	36,740	2,309,707

As of 30 June 2024, 56 % of the Group's non-current assets are located in the Republic of Moldova, 27% in Serbia, 7% in Ukraine and 10% in Romania.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

2 OPERATING SEGMENTS (CONTINUED)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

For the year ended 30 June 2023	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Primary geographical markets				
European Union	282,544	258,241	1,416	542,201
Turkey	199,241	13,407	-	212,648
Middle East and North Africa (MENA)	675,430	66,825	-	742,255
Asia	124,128	-	-	124,128
India	198,212	64,307	-	262,519
Republic of Moldova	2,706	10,360	6,252	19,318
Other countries	47,474	144,899	38,896	231,269
	1,529,735	558,039	46,564	2,134,338
Major products				
Grains and seeds	1,124,172	-	-	1,124,172
Vegetable oil	309,411	344,834	-	654,245
Oil meal	96,152	116,795	-	212,947
Packed vegetable oil	-	96,410	-	96,410
Port, Storage, Cleaning and Drying Services	-	-	9,115	9,115
Other products	-	-	37,449	37,449
	1,529,735	558,039	46,564	2,134,338
Timing of revenue recognition				
Products transferred at a point in time	1,529,735	558,039	37,449	2,125,223
Services transferred over a period of time	-	-	9,115	9,115
Total revenue	1,529,735	558,039	46,564	2,134,338

As of 30 June 2023, 56 % of the Group's non-current assets are located in the Republic of Moldova, 27% in Serbia, 7% in Ukraine and 10% in Romania.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

3 NUMBER OF EMPLOYEES

As at 30 June 2024 the Group's average number of employees was 2,662 employees (30 June 2023: 2,748).

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods disclosed in these consolidated financial statements unless otherwise stated. These consolidated financial statements were prepared for the year ended 30 June 2024. The consolidated financial statements have been prepared on the historical cost basis except for the property, plant and equipment, inventories, forward contracts and derivative instruments which are measured at fair value.

4.1 Basis of preparation

Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Local statutory accounting principles and procedures may differ from those generally accepted under IFRS. Accordingly, the consolidated financial statements are based on Statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRSs.

Profit and Loss and cash flow statements

The Group presents the statement of profit and loss and other comprehensive income by function of expenses.

The Group reports cash flow from operating activities using the indirect method. Cash flow from investing and financing activities are determined using the direct method.

The profit and loss and the cash flow statements are presented for the period from 1 July 2023 to 30 June 2024.

Adoption of new and revised IFRSs

The Group has adopted all changes to IFRSs as adopted by the European Union ("EU") which are relevant to its operations that became effective for annual periods beginning on or after 1 July 2023.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by International Accounting Standards Board ("IASB") but are not yet effective for annual periods beginning on 1 July 2023. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of preparation (continued)

Adoption of new and revised IFRSs (continued)

(i) IFRSs, Amendments to IFRSs and Interpretations not adopted by the EU

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments): Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Amendments): Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 10 Consolidated Financial Statements (Amendments) and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely; early adoption continues to be permitted)

For other standards and interpretations, management anticipates that their adoption will not have a material effect on the consolidated financial statements of the Group in future periods.

4.2 Functional and presentation currency

The Parent and its subsidiaries maintain their accounting records in local and functional currencies and in accordance with the accounting and reporting regulations of the countries of incorporation.

These consolidated financial statements are presented in US Dollar (in thousands), which is the Company's functional currency. All amounts have been rounded to the nearest thousand.

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Other currencies in which entities operate are Moldovan Lei (MDL), Swiss Franc (CHF), Euro (EUR), Ukrainian Hryvnia (UAH), Romanian Lei (RON), Serbian dinar (RSD), Emirati dirham (UAE) which are considered as foreign currencies.

Transactions in currencies other than the functional currencies of the Group companies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Subsequently, monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The exchange rates used in the preparation of the consolidated financial statements were the official exchange rates as quoted by the National Bank of Moldova and are as follows: USD 1 = 17.9287 MDL (30 June 2023: 18.2774) and Euro ("EUR"), EUR 1 = 19.1901 MDL (30 June 2023: 19.9690), USD 1 = 0.9343 EUR (30 June 2023: 0.9153); USD 1 = 0.8969 CHF (30 June 2023: 0.8957), EUR 1 = 0.9601 CHF (30 June 2023: 0.9787), RON 1 = 0.215 USD (30 June 2023: 0.22); RSD 100 = 0.9147 USD (30 June 2023: 0.932); AED 1=0.2723 USD (30 June 2023: 0.2723).

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.3 Going concern

These consolidated financial statements have been prepared based on the going concern principle, which assumes that the Group will continue to operate in the foreseeable future and realise its assets and dispense its liabilities in the normal course of business. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows and management's ability to perform the forecasts. The management believes that the Group will be able to continue to operate as a going concern in the foreseeable future and, therefore, this principle should be applied in the preparation of these financial statements. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing return to shareholders through a combination of debt and equity capital. Management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and risks associated with each class of capital. Based on recommendations from the management, the Group balances its overall capital structure through the issue of new debt or the redemption of existing debt.

4.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of Aragvi Holding International Limited and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies.

Intra group balances, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing consolidated financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Control is achieved where the parent company has the power to govern the financial and operating policies of an investee enterprise, either directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal.

Non-controlling interests at the date of the statement of the financial position represent the non-controlling equity holders' portion of the fair values of the identifiable assets and liabilities of the subsidiary at the acquisition date and the non-controlling equity holders' portion of movements in equity since the date of the acquisition. Total comprehensive income of subsidiaries is attributed to the equity holders of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

ARAGVI HOLDING INTERNATIONAL LIMITED
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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Basis of consolidation (continued)

The Group controls several entities that are not consolidated within these financial statements. The main reason is immateriality of these entities for these financial statements.

The following entities are not consolidated:

Entity	Principal Activity	Country of incorporation	Shareholding, %
Seagull Operations International BV	Holding company	The Netherlands	100.00
TD Mediana LTD	Holding company	Ukraine	100.00
PVD Trade LTD	Holding company	Ukraine	100.00
Intreprinderea de Transport Nr 7 SA OR BALTI	Dormant company	Republic of Moldova	86.49
Boebs-Agro SRL	Dormant company	Republic of Moldova	90.00
OVMK Holding Limited	Holding company	Cyprus	100.00
Nelway Limited	Dormant company	Cyprus	100.00
Aragvi International Corp.	Trading company	United States of America	100.00

4.5 Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

In the case that identifiable net assets attributable to the Group, after reassessment, exceed the cost of acquisition, the difference is recognised in profit and loss as a gain on bargain purchase.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

4.5 Business Combinations (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the Subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in Subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Holding.

4.6 Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of fair value of consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.7 Property, plant and equipment

Property, plant and equipment are carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit and loss.

The amounts included in the revaluation reserve are transferred to retained earnings when the related assets are disposed of.

Construction in progress is carried at cost less provision for any impairment in value. Upon completion, assets are transferred to property, plant and equipment at their carrying value. Construction in progress is not depreciated until the asset is available for use.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.7 Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of the property, plant and equipment for current and comparative periods are as follows:

<u>Type</u>	<u>Years</u>
Buildings and construction	30 - 70
Plant, machinery and equipment	10 - 35
Vessels and barges	5 - 20
Agricultural vehicles and equipment	5- 10
Other fixed assets and assets used in non-core activities	3 - 4

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted appropriately.

When an item of property, plant and equipment is re-valued, any accumulated depreciation is reversed so that the carrying amount of the asset after revaluation equals its re-valued amount.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are depreciated over the remaining useful life of the related asset.

Buildings and constructions, production machinery and equipment are accounted for at revalued amounts, being the fair value. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All items of Property, Plant and Equipment are carried at fair value, except vessels and barges, which are carried out at cost however. At the reporting date, vessels and barges are recorded at their cost less accumulated depreciation. Vessel cost comprises acquisition costs directly attributable to the vessel and the expenditures made to prepare the vessel for its initial voyage. Vessels are depreciated on a straight-line basis over their estimated useful economic life. Depreciation is based on cost less estimated residual scrap value.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.7 Property, plant and equipment (continued)

The fair value was defined as the amount for which an asset could have been exchanged between knowledgeable willing parties in an arm's length transaction. The fair value of marketable assets was determined at their market value. If there is no market-based evidence of fair value because of the specialised nature of the item of property, plant and equipment and the item is rarely sold, except as part of a continuing business, an income approach was used to estimate the fair value. Property, plant and equipment acquired in a business combination are initially recognised at their fair value which is based on valuations performed by independent professionally qualified appraisers.

Capitalised costs include major expenditures for improvements and replacements that extend the useful lives of assets or increase their revenue generating capacity. Repairs and maintenance expenditures that do not meet the foregoing criteria for capitalisation are charged to the income statement as incurred.

If the asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to other comprehensive income or loss. However, such increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, such decrease is debited directly to other comprehensive income or loss to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on revalued assets is charged to the profit or loss. On the subsequent sale or retirement of revalued assets, the revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Property, plant and equipment are depreciated over the estimated useful economic lives of assets under the straight-line method.

Impairment

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is determined as the higher of the asset's net selling price and value in use. The value in use of the assets is estimated based on the forecast future cash inflows and outflows to be derived from continuing use of the assets and from the estimated net proceeds on disposal, discounted to present value using an appropriate discount rate.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.8 Intangible assets

Trademarks

Intangible assets acquired separately from a business are capitalised at initial cost. The 'Floris', 'Mister Cook' and 'Aroma Soarelui', 'Iskon' trademarks have indefinite useful life and thus are not amortised but are tested for impairment by comparing their recoverable amount with their carrying amount annually and whenever there is an indication that the trademarks may be impaired.

Other intangible assets

Expenditure on acquired software, know-how and licenses is capitalised and amortised using the straight-line method over their expected useful lives. The estimated useful lives assigned to intangible assets do not exceed 5 years. Costs associated with maintenance of computer software are recognised as an expense as incurred.

4.9 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive income (FVOCI) - debt investment; Fair Value through Other Comprehensive income (FVOCI) - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES **(CONTINUED)**

4.9 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and cash in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings (including Bonds)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets - impairment - credit loss allowance for ECL

From 1 July 2018, the Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL.

For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 4.9, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and advances given from initial recognition. It will estimate credit losses using a provision matrix where trade receivables and advances granted are grouped based on credit risk characteristics and the days past due.

According to the ageing management allocated the receivables to the following categories:

- overdue up to 30 days
- overdue 30-90 days
- overdue 91-180 days
- overdue 181-360 days
- overdue 360+ days

The management considered the last three years in determining past performance profile. The loss rates are calculated as the proportion of the receivables that are past due more than 360 days to the rest of the categories. Subsequently the ECL is calculated by allocating the loss rates, calculated on past performance and adjusted for forward looking estimates, to each of the above ageing categories as of each reporting date.

For trade receivables, unusual or increasingly delayed payments, increase in average credit period taken or known financial difficulties of a customer, in addition to observable changes in national or local economic conditions in the country of the customer, are considered indicators that the trade receivable balance may be impaired. The carrying amount of the asset is reduced through the use of a loss allowance account and the amount of the loss is recognized in the Consolidated Profit or Loss. When a trade receivable is uncollectable, it is written off against the loss allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to 'other external charges' in the Consolidated Profit or Loss.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (continued)

Write off:

Trade receivables are written off when there is no reasonable expectation of recovery.

Financial guarantee contracts

Financial guarantee contracts are contracts that require a Group company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor – another Group company might fail to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, and financial institutions to secure loans, overdrafts and other banking facilities. The Group does not issue financial guarantees for the benefit of third parties.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee in other income in profit or loss.

At the end of each reporting period, the guarantee is subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

4.10 Derivative financial instruments

Forward contracts

Forward contracts, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when the Group becomes a party to the contractual provisions of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotation or using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility underlying instrument and counterparty risk.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Inventories

Inventories held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the income statement. Cost is determined on weighted average method and comprises direct purchase costs, cost of production, transportation and overhead expenses. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

Management considers this valuation method enhances the understanding of users of these consolidated financial statements.

Other inventories are valued at the lower of cost or net realisable value. Cost is determined using the weighted average method and comprises purchase value, labour costs, transportation services and drying, cleaning and processing services, where needed.

Financing and storage costs related to inventory are expensed as incurred.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

4.12 Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the consolidated statement of financial position date.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Shareholders' equity

a) Share capital

Ordinary shares are classified as equity.

b) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

4.14 Revenue

Recognition and measurement

Revenue is derived principally from the sale of goods, finished products and rendering services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Revenue (continued)

The Group's revenue is recognized at the moment when the transfer of the significant risks and rewards of ownership of an asset to the customer occur; in general this moment coincides with the fulfilment of performance obligations as defined by standard.

IFRS 15 requires allocation of the transaction price to each performance obligation (or distinct good or service) such as freight, insurance, storage, dispatch and other services to deliver the contracted goods to the customers. Under the definite contractual sales the seller should bring the goods to the point of destination therefore the freight and other services meet the criteria of a performance obligation separation from the transaction price.

The Group regularly engages third-party service providers (subcontractors) to provide freight and other services to its customers. When the Group obtains a contract from a customer, the Group enters into a contract with one of those service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

The Group's revenue is recognized at the moment when the transfer of the significant risks and rewards of ownership of an asset to the customer occur; in general, this moment coincides with the fulfilment of performance obligations as defined by standard.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Revenue (continued)

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

The Group recognized its performance obligation as satisfied once the services have been rendered and the ownership right over goods, according to INCOTERMS 2020, passed to the customer. The entire revenue recognized over time is considered as from performance obligations satisfied. This is mainly from the short-term nature of service rendered to the Group 's customers, that makes the performance obligation short-lived by nature.

No bill and hold arrangement have been registered for the year ended 30 June 2024.

Sale of goods

The point of revenue recognition for sale commodity goods is dependent upon contract sales terms (Incoterms). A receivable is recognized by the Group when the control over goods is transferred to the buyer as this represents the point of time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Timing of billing is generally close to the timing of performance obligation satisfaction, respectively,. When the Group obtains a contract from a customer, the Group enters into a contract with one of those service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay. Also, the Group is responsible for inventory risk during the freight service provision, which is turn, is covered by an insurance policy.

Rendering of services

Revenue is recognized over the period of time as the service is rendered. The main type of services provided by the Group are transshipment services by terminals and crop cleaning, drying and storage services by the Group's silos. Revenue from transshipment services is recognized using input methods based on a time-and-materials basis as the services are provided. Revenue from grain cleaning, drying and storage services is recognized on an accrual basis, based on the fees for the specific service, volumes of crops under service and days of storage. Invoices are generated shortly after the end of the month for which the services have been rendered. Invoices are usually payable within 15 days.

Rental income

Rental income is recognised on an accruals' basis in accordance with the substance of the relevant agreements.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Revenue (continued)

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Financing component

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

Contract assets and contract liabilities

In case the services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Group recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

Costs to obtain or fulfil contracts with customers

The Group recognizes the incremental costs incurred by the Group to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable, and recorded in the "Other assets" in the consolidated statement of financial position. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in consolidated statement of profit or loss and other comprehensive income. Additionally, the asset is assessed for impairment and any impairment loss is recognized in "cost of sales" in consolidated statement of profit or loss and other comprehensive income. The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted in Republic of Moldova, Ukraine, Swiss Confederation, Romania, Serbia, United Arab Emirates and Republic of Cyprus. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts projected to be paid to the tax authorities.

Deferred income tax is calculated using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation to be made.

4.17 Leases

The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Leases (continued)

As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" line and lease liabilities in "Lease liabilities" line of statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Leases (continued)

Financial impact of application of IFRS 16

The Group has several non-cancellable lease agreements in Giurgiulesti Free Economic Zone, where the Group's port facilities are located. Based on the Group's assessment these arrangements meet the definition of a lease under IFRS 16, and thus, the Group recognises a right-of-use asset and a corresponding liability in respect of leases unless they qualify for low value or short-term leases upon the application of IFRS 16.

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current period.

"Property, plant and equipment" comprise owned and leased assets that do not meet the definition of investment property:

	Note	<u>30 June 2024</u>
Property, plant and equipment owned	7	457,014
Right-of-use assets		<u>10,854</u>
		<u>467,868</u>

Right-of-use assets

The Group's right-of-use assets include land, port maritime infrastructure and vehicles. Information about leases for which the Group is a lessee is presented below:

	<u>Land</u>	<u>Port infrastructure</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Balance at 1 July 2023	4,419	5,671	158	737	10,985
Additions	-	-	1,095	137	1,232
Transferred to owned					
Property, plant and equipment	-	-	-	(304)	(304)
Depreciation charge for the year	<u>(425)</u>	<u>(417)</u>	<u>(37)</u>	<u>(180)</u>	<u>(1,059)</u>
Balance at 30 June 2024	<u>3,994</u>	<u>5,254</u>	<u>1,216</u>	<u>390</u>	<u>10,854</u>

	<u>30 June 2024</u>	<u>30 June 2023</u>
Amounts recognized in profit or loss		
Interest on lease liabilities	1,308	1,231
Depreciation charge on right-of-use assets	1,059	985
Expenses relating to short-term leases	370	355
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	2,130	2,504

	<u>30 June 2024</u>	<u>30 June 2023</u>
Amounts recognized in the statement of cash flows		
Total cash outflow for leases	2,847	2,515

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Pension costs and employee benefits

The Group, in the normal course of business, makes payments to the governments on behalf of its employees. There are no any other pension benefits except of mandatory employer’s contributions levied to the governments.

Retirement and other benefit obligations

Social security contributions are payable in the form of mandatory insurance contributions to the Social Security Fund and Health Insurance Fund for each employee (personified contributions), as well as via contributions for mandatory social insurance against occupational accidents and diseases.

Insurance contributions are payable on remuneration and other payments to individuals under employment and civil contracts.

Retirement and other benefit obligations (continued)

For 2023, personified contributions are payable at the rates provided in the table below subject to an annual remuneration threshold established for contributions to the Social Security Fund. The threshold is subject to annual revision by local authorities.

Income subject to social contributions		Social Security	Health Insurance
Up to remuneration, Republic of Moldova		18%	4,5%
Up to remuneration, Serbia		11%	5,15%
Up to remuneration, Switzerland		12%	2,65%
Up to remuneration, Romania		25%	10%

4.19 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but is disclosed when an inflow of economic benefits is probable.

4.20 Subsequent events

Post period end events that provide additional information about the Group’s position at the reporting date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the accompanying financial statements. Post period end events that are not adjusting events are disclosed in the notes when material.

4.21 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. During the year ended 30 June 2024, the Group has capitalised borrowing costs in amount of 2.499 thousand USD (2023: 4.845 thousand USD), at a capitalisation rate of 10.53% (2023: 9.57%)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.22 Comparatives

Comparative information is disclosed in respect of the previous period for all numerical information in the consolidated financial statements. Comparative information is also included for narrative and descriptive information when is relevant to an understanding of the current period's consolidated financial statements.

Comparative information, where necessary, has been adjusted to change the presentation in the current financial period for a better understanding by the users of these consolidated financial statements.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and compliance risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

a) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, and currency, both of which are exposed to general and specific market movements. Management reviews such risks periodically, with the objective of ascertaining whether they are likely to exceed certain limits. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Moldovan Lei and EURO. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. There is no material risk generated by transactions in Romanian Leu, Ukrainian Hryvna, Swiss Franc, Serbian Dinar and Emirati Dirham.

Management has set up a policy to require Group companies to manage their foreign exchange risk against functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities of the Group use foreign currency (Moldovan Lei and EUR) for sales and purchase contracts.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

a) Market risk (continued)

(i) Cash flow interest rate risk

The Group's interest rate risk arises from short-term originated loans, and short-term borrowings from banks and suppliers. The Group's borrowings and loans have been issued mainly at fixed rates and for some borrowings at fixed margin plus 3- or 6-month SOFR. Fair value of borrowings, except bond issued, approximates their carrying value. The Group's significant interest-bearing liabilities are disclosed in Note 15 and 16. As of the balance sheet date, the fair value of the Group's Eurobond, maturing in 2026 and bearing a coupon of 8.45%, was approximately 84.5 cents on the dollar. The fair value of the bond has been determined using observable market inputs, including current bid/ask quotes from recognized market participants. This valuation reflects the prevailing market conditions, the credit risk associated with the instrument, and the time to maturity. The Group has not entered into any hedging arrangements in respect of its interest rate exposures. Interest bearing assets and liabilities, broken down by variable and fixed interest rates are presented below:

	30 June 2024		30 June 2023	
	Variable	Fixed	Variable	Fixed
Assets	-	-	-	-
Liabilities	(346,649)	(492,200)	(208,361)	(488,659)

The Group entered into several derivative financial instruments to manage its exposure to commodity price and foreign exchange risk.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting period. The resulting gain or loss is recognized in profit or loss.

Derivatives expected to be settled within a year after the end of the reporting period are classified as current liabilities or current assets.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

a) Market risk (continued)

(ii) *Cash flow interest rate risk (continued)*

The risk management objective is to hedge commodity price risk exposure arising from the changes mainly in sunflower seeds, corn, soybean and soybean meal market price. In order to comply with its risk management strategy, the Group enters into commodity sales agreements with counterparties matching the highly probable forecasted sale quantity per time bucket in the end destination to hedge the identified commodity price exposure for its future sales at end destination. There is an economic relationship between the hedged items and the hedging instruments as the designated hedged item's and hedging instruments' quantities and timing of the cash flows is matching and there is high correlation in movement of prices for hedged item and hedging instrument.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components..

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro (EUR). The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group's exposure to foreign currency risk was as follows:

30 June 2024

In thousands of US Dollars	EUR
	€
<u>Assets</u>	
Trade and other receivables	138,052
Cash and cash equivalents	<u>1,658</u>
	<u>139,710</u>
<u>Liabilities</u>	
Trade and other payables	(14,305)
Borrowings	<u>(127,952)</u>
	<u>(142,257)</u>
Net exposure	<u>(2,547)</u>

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against USD at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect	Profit before tax	
	Strengthening	Weakening
EUR (10% movement)	255	(255)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

c) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions.

Cash and cash equivalents are placed with a limited number of financial institutions. However, risk of loss is remote because the Group has a policy of only using large, creditworthy financial institutions.

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables and advances given. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The carrying amount of accounts receivable, net of allowance for doubtful accounts receivables, represents the maximum amount exposed to credit risk. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provisions already recorded.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Group's trade receivables.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

c) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of US Dollars	30 June 2024	30 June 2023
Trade and other receivables	471,526	375,540
Cash and cash equivalents	<u>134,203</u>	<u>67,757</u>
	<u>605,729</u>	<u>443,297</u>

Impairment losses on financial assets and contract assets recognized in profit or loss were related to impairment losses on trade and other receivables.

Trade receivables

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognized because of collateral.

The Group uses an allowance matrix to estimate lifetime ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - sales channel, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2024:

	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
In thousands of US Dollars				
1-30 days due	0.38%	257,103	(983)	No
30-90 days due	11.23%	22,109	(2,483)	No
91-180 days due	26.71%	3,787	(1,011)	Yes
181-360 days due	60.19%	2,817	(1,696)	Yes
More than 360 days due	100.00%	<u>4,686</u>	<u>(4,686)</u>	Yes
		<u>290,502</u>	<u>(10,859)</u>	

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

c) Credit risk (continued)

Trade receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2023:

	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
In thousands of US Dollars				
1-30 days due	0.48%	163,388	(779)	No
30-90 days due	9.52%	35,983	(3,426)	No
91-180 days due	20.85%	15,837	(3,302)	Yes
181-360 days due	56.71%	4,856	(2,754)	Yes
More than 360 days due	100.00%	<u>5,451</u>	<u>(5,451)</u>	Yes
		<u>225,515</u>	<u>(15,712)</u>	

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's finance liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

30 June 2024	Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	Over 1 year	Total
Trade and other payables	84,587	28,393	9,453	2,357	124,790
Bonds issued	-	-	-	492,200	492,200
Borrowings	84,757	111,444	80,450	103,928	380,579
Lease liabilities	<u>105</u>	<u>204</u>	<u>582</u>	<u>11,873</u>	<u>12,764</u>
Total	<u>169,449</u>	<u>140,041</u>	<u>90,485</u>	<u>610,358</u>	<u>1,010,333</u>
30 June 2023	Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	Over 1 year	Total
Trade and other payables	66,662	29,901	7,961	1,717	106,241
Bonds issued	-	-	-	488,659	488,659
Borrowings	7,758	14,626	154,424	78,654	255,462
Lease liabilities	<u>95</u>	<u>178</u>	<u>427</u>	<u>11,893</u>	<u>12,593</u>
Total	<u>74,515</u>	<u>44,705</u>	<u>162,812</u>	<u>580,923</u>	<u>862,955</u>

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Capital risk management

e) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the legal department of the Group, as well as by the monitoring controls applied by the Group. The amount of possible contingent penalties to be paid on the transactions identified as non-compliant with legal requirements of the repatriation law of Republic of Moldova are disclosed in Note 31.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and to reduce the cost of capital.

The Shareholders monitor gearing at its level. The Group monitors capital on the basis of the gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the balance sheet) less cash and cash equivalents.

Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing return to shareholders through a combination of debt and equity capital. Management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and risks associated with each class of capital. Based on recommendations from management, the Group balances its overall capital structure through the issue of new debt or the redemption of existing debt.

The Group monitors capital based on the carrying amount of borrowings less cash and cash equivalents as presented in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

The gearing ratio as at 30 June 2024 and 30 June 2023 was as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Total borrowings (Notes 15 and 16)	872,779	744,121
Less: cash and cash equivalents (Note 13)	<u>(134,203)</u>	<u>(67,757)</u>
Net debt	738,576	676,364
Total equity	<u>700,648</u>	<u>636,333</u>
Total capital	<u>1,439,224</u>	<u>1,312,697</u>
Gearing ratio	<u>51,3%</u>	<u>51,5%</u>

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows.

The Company classifies the fair values of its financial instruments into a three-level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can assess at the measurement date; or
- Level 2 Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 Unobservable inputs for the assets or liabilities, requiring the Company to make market-based assumptions.

Level 1 classification primarily includes financial assets and financial liabilities that are exchange traded, whereas Level 2 classifications primarily include financial assets and financial liabilities which derive their fair value primarily from exchange quotes and readily observable quotes. Level 3 classifications primarily include financial assets and financial liabilities which derive their fair value predominately from models that use applicable market-based estimates surrounding location, quality and credit differentials. In circumstances where the Company cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is the Company's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (continued)

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their fair levels in fair value hierarchy:

30-June-24	Note	Carrying amounts		Level 1	Level 2	Level 3
		Fair value - Property plant and equipment, Inventory and Forward contracts, Derivative financial instruments	Other financial liabilities			
Non-financial assets						
Property, plant and equipment	7	467,868	-	-	-	467,868
Inventories	10	500,233	-	-	500,233	-
Total		968,101	-	-	500,233	467,868
30-June-23						
Non-financial assets						
Property, plant and equipment	7	467,359	-	-	-	467,359
Inventories	10	434,674	-	-	434,674	-
Total		902,033	-	-	434,674	467,359
30-June-24						
Financial Assets measured at fair value						
Forward Contracts	9	105,653	-	-	105,653	-
Total		105,653	-	-	105,653	-
30-June-23						
Financial Assets measured at fair value						
Forward Contracts	9	112,425	-	-	112,425	-
Total		112,425	-	-	112,425	-

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (continued)

		Carrying amounts				Level 1	Level 2	Level 3
		Fair value - Property plant and equipment, Inventory and Forward contracts, Derivative financial instruments	Other financial liabilities					
30-June-24								
Financial liabilities								
Borrowings	15	-	380,579	-	380,579	-		
Forward Contracts	9	2,564	-	-	2,564	-		
Bond issued	16	-	-	-	492,200	-		
Bond premium	17	-	-	-	2,557	-		
Total		2,564	380,579	-	877,900	-		
30-June-23								
Financial liabilities								
Borrowings	15	-	255,462	-	255,462	-		
Forward Contracts	9	18,760	-	-	18,760	-		
Bond issued	16	-	-	-	488,659	-		
Bond premium	17	-	-	-	3,781	-		
Total		18,760	255,462	-	766,662	-		

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.4 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair value for financial assets and liabilities in statement of financial position, as well the significant unobservable inputs used:

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Inventory & Forward contracts	<u>Market comparison technique</u> : The fair value is determined using observable quoted prices sourced from traded reference indices in active markets for identical commodities, taking into consideration geographic location and local supply and demand.	Not applicable	The estimated fair value will increase(decrease) if: -quoted prices for commodities were higher (lower).
Derivative liabilities – Forward exchange contracts	<u>Forward pricing</u> : The fair value is determined using quoted forward exchange rates at the reporting date	Not applicable	Not applicable

6 USE OF ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, assumptions and estimation uncertainties

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 7 – Property, plant and equipment

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The fair value of property, plant and equipment was determined by external registered independent appraiser, having appropriate recognized professional qualifications.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included below and in the notes. At each balance sheet date, the Group assesses whether the carrying amount of the Group's assets significantly differ from their fair value.

6 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Measurement of fair values (continued)

Estimated fair value of property, plant and equipment

At each balance sheet date, the Group assesses whether the carrying amount of the Group's assets significantly differs from their fair value.

As at 30 April 2023, the group performed an external revaluation of its assets. The revaluation was performed in accordance with International Valuation Standards by Winterhill SRL. The value of the assets of the group reached an amount of 467,359 thousand USD.

Valuation of Property, Plant and Equipment has been undertaken using Discounted Cash Flows method, where Group's assets have been assessed as being standalone cash generating units.

Significant assumptions were made relating to projected cash flows, raw materials costs, utilities costs and ROI as described in note 5 of the financial statements.

These assumptions were mainly based on historical data as well as management forecasts on sales, volumes of crushed seeds and other assumptions.

Judgements, assumptions and estimation uncertainties

As at 30 June 2024, for the purposes of an assessment of fair value of property, plant and equipment of the Group, management made the following assumptions and estimates related to new markets:

- The valuation of the Group's Property, Plant, and Equipment (PPE) has been conducted on a standalone basis for each asset, with each asset considered as a separate cash-generating unit (CGU). The Discounted Cash Flow (DCF) method has been applied to assess each asset individually. According to the valuation reports, the combined EBITDA generated by each of the assets in the Group should not be less than USD 116,762 thousand for the financial year ended 30 June 2024. This target is necessary to sustain the assessed value of PPE across the Group. For the financial year ended 30 June 2024, the Group's combined EBITDA across all CGUs reached USD 212,476 thousand, exceeding the baseline requirement. This outperformance does not impact the PPE valuation, as each asset is valued separately, and the aggregated EBITDA merely reflects overall operational performance rather than the valuation basis of any single asset.

- EBITDA is defined for any reporting period as profit before income tax (excluding results from discontinued operations) adding back any interest, commission and other finance income or expenses, depreciation or impairment of assets, and eliminating one-off and non-operating gains (losses) included in EBITDA.

- Selling and raw material prices for forecasted period were considered to increase per annum at a correlated rate to increase of selling prices for finished products during subsequent financial periods;

- Net working capital increase considered in line with revenue and selling and general and administrative expenses increase.

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7 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant, Machinery and equipment	Other fixed assets of non-core activities	Assets in course of construction	Total
As at 30 June 2022					
Net book value	202,922	144,258	24,679	34,696	406,555
Net book amount	<u>202,922</u>	<u>144,258</u>	<u>24,679</u>	<u>34,696</u>	<u>406,555</u>
Year ended 30 June 2023					
Opening net book amount	202,922	144,258	24,679	34,696	406,555
Additions	267	19,781	358	19,894	40,300
Disposals	(1,315)	(908)	(141)	(90)	(2,454)
Transfers	18,095	20,711	819	(39,625)	-
Impairment of assets	(5,679)	-	-	-	(5,679)
Net exchange difference	4,530	1,254	128	795	6,707
Depreciation charge	(13,347)	(5,951)	(976)	-	(20,274)
Fair value reserve	<u>27,732</u>	<u>7,794</u>	<u>6,678</u>	<u>-</u>	<u>42,204</u>
Closing net book amount	<u>233,205</u>	<u>186,939</u>	<u>31,545</u>	<u>15,670</u>	<u>467,359</u>

During the year ended 30 June 2023, the Group has capitalized borrowing cost in the amount of 4.845 thousand USD, calculated using a capitalization rate of 9.57%.

Impairment of assets relates to an incident in Danube Oil Company, Giurgiulesti (Republic of Moldova) when two out of six vertical storage facilities (silos) of sunflower meal collapsed due to uncertain technical issues and the subsequent fire breakout on 16 January 2023. The amount of impairment, 1.9 million USD, is the sum of the construction costs of all six vertical silos, which had been dismantled. In addition, the Group registered an impairment loss as a result of sales of Bogatic premises (Serbia, Victoria Oil), in the amount of 3.8 million USD.

The property, plant and equipment were re-valued on 30 April 2023.

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7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings	Plant, Machinery and equipment	Other fixed assets of non-core activities	Vessels and barges	Assets in course of construction	Total
As at 30 June 2023						
Net book value	233,205	168,832	31,545	18,107	15,670	467,359
Net book amount	<u>233,205</u>	<u>168,832</u>	<u>31,545</u>	<u>18,107</u>	<u>15,670</u>	<u>467,359</u>
Year ended 30 June 2024						
Opening net book amount	233,205	168,832	31,545	18,107	15,670	467,359
Right-of-use assets transferred to own Property, plant and equipment	-	304	-	-	-	304
Additions	2,478	2,146	1,485	433	15,532	22,074
Disposals	(524)	(885)	(316)	-	(180)	(1,905)
Transfers	5,248	6,589	187	-	(12,024)	-
Net exchange difference	2,397	1,202	1,019	-	270	4,888
Depreciation charge	<u>(16,329)</u>	<u>(3,442)</u>	<u>(3,932)</u>	<u>(1,149)</u>	<u>-</u>	<u>(24,852)</u>
Closing net book amount	<u><u>226,475</u></u>	<u><u>174,746</u></u>	<u><u>29,988</u></u>	<u><u>17,391</u></u>	<u><u>19,268</u></u>	<u><u>467,868</u></u>

During the year ended 30 June 2024, the Group has capitalized borrowing cost in the amount of 2.499 thousand USD, calculated using a capitalization rate of 10.53%. As of June 30, 2024, the Group's right-of-use assets (refer also to Note 4.17) relate to:

- land amounted to 3,994 thousand USD (2023: 4,419 thousand USD) (presented in "Land and Buildings"),
- port maritime infrastructure at Giurgiulesti port, production equipment and vehicles amounted to 6,860 thousand USD (2023: 6,566 thousand USD) (presented in "Plant, machinery and equipment").

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7 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The revaluation was performed in accordance with International Valuation Standards by external, registered and independent valuers, Winterhill SRL (Romania), a well-known valuation Company, who holds recognised and relevant professional qualifications and has recent experience in valuation of assets of similar location and category.

The valuation of assets was performed at fair value in compliance with International Standards on Valuation which defines fair value as “price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Where the fair value of an asset is able to be determined by reference to market-based evidence, such as sales of comparable assets, the fair value is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, discounted cash flows or depreciated replacement cost is used to determine fair value. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process.

The fair value measurement for all the property, plant and equipment has been recognised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 4)

The composition of the main assets as of June 30, 2023 is as follows:

Name & Location	Fair value
	30 June 2023
Trans Cargo – Giurgiulesti (port facility)	46 135
Trans Bulk – Giurgiulesti (port facility)	8 443
Elevator Anengrain - Anenii Noi (storage facility)	2 377
Trans-Oil Refinery - Ceadir Lunga (crushing facility)	32 180
Elevator Prut – Cantemir (storage facility)	3 767
Elevator Flograin – Floresti (storage facility)	1 480
Elevator Unco Cereale – Unchitesti (storage facility)	3 060
Elevator AgroFloris Nord – Rogojeni (storage facility)	2 020
Floarea Soarelui – Balti (crushing facility)	56 180
Elevator Ulei Nord – Otaci (storage facility)	6 344
Elevator Kelly Grains 1+2 Causeni (storage facility)	19 304
Elevator Molgranum – Donduseni (storage facility)	4 225
Elevator Cereale Prut – Ungheni (storage facility)	6 100
Aur Alb - Ceadir Lunga (storage facility)	5 785
Elevator Iargara – Iargara (storage facility)	5 560
Elevator Molgranum – Greceni (storage facility)	5 039
Reniyskiy Elevator – Reni (port facility)	20 260
Reni-Line – Reni (port facility)	10 517
FFA Trans Oil – Chisinau offices	3 522
175 railcars -Trans Oil Commodities & Agrofloris Nord	11 364
Global Grain International -Romania	12 401
Helios Agri International – Romania (crushing facility)	20 099
Danube Oil Company – Giurgiulesti (crushing facility)	44 100
Victoria Oil d.o.o.-Serbia (crushing facility)	68 252
Luka-Bačka Palanka d.o.o. -Serbia (port facility)	12 476
Žito-Bačka Kula d.o.o. -Serbia (storage facility)	24 451
Granexport d.o.o.- Serbia (storage facility)	13 812
TOI Shipping Limited (vessels - measured at cost)	18 106
	467,359

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7 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in the determination of fair value of land, buildings, machinery used in production, computer hardware and furniture and fittings as well as the significant unobservable inputs used.

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Crushing, storage and port facilities - Land and buildings \$234 543m - Plant, machinery and equipment \$185 467m - Other fixed assets of non-core activities \$32 463m	<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows to be generated from properties taking into account net annual revenues and costs to be generated by the facility over a period of 5 years, budgeted capital expenditure and terminal value. The expected cash flows were discounted using risk-adjusted discount rates.	- Expected annual revenues and costs - Budgeted capital expenditure - Terminal value - Risk-adjusted discount rates	The estimated fair value would increase (decrease) if: - expected annual revenues were higher (lower); - expected annual costs were lower (higher); - budgeted capital expenditure was lower (higher) - terminal value was higher (lower) - risk-adjusted discount rate was lower (higher).
Chisinau Offices owned by FFA Trans Oil SRL - Land and building \$ 3 522m	<i>Direct capitalization:</i> Direct capitalization is the method utilized to convert a single year's estimate of income into a value indication. The capitalization is performed by use of an overall rate, or capitalization rate.	- Average monthly rent - Assumed vacancy rate - Annual expenses and loss - Capitalization rate	The estimated fair value would increase (decrease) if: - average monthly rent was higher (lower); - assumed vacancy rate was lower (higher); - annual expenses and loss was lower (higher); - capitalization rate was lower (higher)
75 Cereal Railway Wagons owned by Agrofloris Nord SRL and 100 Cereal Railway Wagons owned by Trans Oil Commodities SRL - Plant, Machinery and equipment \$11 364m	<i>Depreciated Replacement Cost:</i> The valuation model considers how much it would cost to reproduce an asset of equivalent utility taking into account physical, functional and economic obsolescence. It estimates the replacement cost of the required capacity rather than the actual asset.	- Physical deterioration - Functional and economic obsolescence	The estimated fair value would increase (decrease) if: - Physical deterioration was lower (higher); - Functional and economic obsolescence was lower (higher);

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7 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The property, plant and equipment of the Group have been revalued in 2023 by an external and qualified valuator Winterhill Romania SRL. The Group has not valued the assets of Kelley Grains Corporation and TOI Commodities SA as these assets are clearly immaterial.

The following significant assumptions were applied:

- Cash flows were projected for each operational segment, the weight of each segment from total projected revenues for the periods being as such:
 - a. crushing segment – 33%;
 - b. trading segment – 36%
 - c. refining and bottling segments – 14%;
 - d. other segments - 17%;
- raw material costs are projected to represent 75% of total revenue throughout remaining projected period. Other production costs, such as labour costs and maintenance expenses were projected based on historical data. Commercial costs were projected on the level of 12% of the total revenue throughout the projection period
- utilities costs comprise the electricity and gas payments. Utilities costs were projected on the basis of historical consumption rates and utilities tariffs provided by the Group as of the valuation date;
- return on investments of 14.7%.

If items of property, plant and equipment were stated on the historical cost basis (for Moldavian subsidiaries only), the amounts would be as follows:

	<u>Land, buildings and constructions</u>	<u>Plant, machinery and equipment</u>	<u>Other fixed assets of non- core activities</u>	<u>Assets in course of construction</u>	<u>Total</u>
As at 30 June 2024					
Cost	46,074	83,499	7,778	87,291	224,642
Accumulated depreciation	<u>(29,316)</u>	<u>(37,593)</u>	<u>(3,063)</u>	-	<u>(69,972)</u>
Net book amount	<u>16,758</u>	<u>45,906</u>	<u>4,715</u>	<u>87,291</u>	<u>154,670</u>
As at 30 June 2023					
Cost	59,925	85,207	10,223	71,760	227,115
Accumulated depreciation	<u>(22,198)</u>	<u>(35,592)</u>	<u>(1,349)</u>	-	<u>(59,139)</u>
Net book amount	<u>37,727</u>	<u>49,615</u>	<u>8,874</u>	<u>71,760</u>	<u>167,976</u>

At 30 June 2024, property, plant and equipment with a carrying amount of USD 197,423 thousand (2023: 208,478 thousand) were pledged to Noteholders (see Note 17).

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8 INTANGIBLE ASSETS AND GOODWILL

	<u>Goodwill</u>	<u>Brands</u>	<u>Computer software</u>	<u>Licenses</u>	<u>Other intangible assets</u>	<u>Total</u>
As at 30 June 2022						
Cost	48,688	1,794	502	501	199	51,684
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(361)</u>	<u>(12)</u>	<u>(34)</u>	<u>(441)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>141</u>	<u>489</u>	<u>165</u>	<u>51,243</u>
Year ended 30 June 2023						
Opening net book amount	48,688	1,760	141	489	165	51,243
Additions due to acquisition	-	-	62	13	104	179
Disposals	-	-	(3)	(8)	(87)	(98)
Amortisation for the year	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>(24)</u>	<u>-</u>	<u>(51)</u>
Closing net book amount	<u>48,688</u>	<u>1,760</u>	<u>173</u>	<u>470</u>	<u>182</u>	<u>51,273</u>
As at 30 June 2023						
Cost	48,688	1,794	561	506	303	51,852
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(388)</u>	<u>(36)</u>	<u>(121)</u>	<u>(579)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>173</u>	<u>470</u>	<u>182</u>	<u>51,273</u>
Year ended 30 June 2024						
Opening net book amount	48,688	1,760	173	470	182	51,273
Additions due to acquisition	-	-	207	51	59	317
Disposals	-	-	(130)	-	(113)	(243)
Amortisation for the year	<u>-</u>	<u>-</u>	<u>(35)</u>	<u>(40)</u>	<u>-</u>	<u>(75)</u>
Closing net book amount	<u>48,688</u>	<u>1,760</u>	<u>215</u>	<u>481</u>	<u>128</u>	<u>51,272</u>
As at 30 June 2024						
Cost	48,688	1,794	638	557	248	51,925
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(423)</u>	<u>(76)</u>	<u>(120)</u>	<u>(653)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>215</u>	<u>481</u>	<u>129</u>	<u>51,272</u>

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8 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

On formation of the Group the Goodwill was allocated as follows:

As of 30 June 2012	Total assets	Less historical consideration	Equity valuation	Goodwill
Goodwill related to Vision Holding entities	110,948	26,412	107,667	23,140
Goodwill related to Stareverest entities	<u>80,304</u>	<u>56,684</u>	<u>48,670</u>	<u>25,050</u>
	<u>191,252</u>	<u>83,096</u>	<u>156,337</u>	<u>48,190</u>

Impairment test for CGUs containing goodwill

As of 30 June 2024, no impairment of goodwill was identified. The recoverable amount was estimated based on the value in business valuation model used for the identification of the net assets of the entities owned by Visions Holding and Stareverest as of the date of in-kind contribution of the shares of Visions Holding and Stareverest for the subscription of the shares of the Company. The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU's. Management considers the Group as a sole CGU amid vertical integration and the added value its assets chain brings to its dominant position on its main markets.

The key assumptions used were as follows:

Discount rate – 9,77% (2023: 9.57%) being the weighted average of the Group's cost of capital.

Terminal growth rate – 2% being a management estimation of group's expected growth rate into perpetuity.

Forecasted EBITDA compound annual growth rate – 6-7 % for the next 3 years and flat for terminal value calculation.

Forecasted EBITDA ratio range – 8% - 9% for the next 3 years.

The Group's key intellectual properties are the trademarks used in the bottled oil segment. The Group owns 39 trademarks, out of which 8 are registered with the World Intellectual Property Organization and 31 are registered in Moldova, including the Group's brand name "Trans Oil Group of Companies". These intangible assets have infinite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

9 FORWARD CONTRACTS ASSETS AND LIABILITIES

The following tables present the fair value change of the Group's forward contracts. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are not available, fair values have been calculated by discounting expected cash flows at prevailing market interest and exchange rates. The estimated fair values have been determined using market information and appropriate valuation methodologies.

Forward contracts	<u>30 June 2024</u>	<u>30 June 2023</u>
Forward contracts assets	<u>105,653</u>	<u>112,425</u>
Forward contracts liabilities	<u>2,564</u>	<u>18,760</u>

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9 FORWARD CONTRACTS ASSETS AND LIABILITIES (CONTINUED)

During the year ended 30 June 2024, the Group entered into several agreements with farmers in the Republic of Moldova for the supply of commodities. The farmers cultivate wheat, corn, sunflower seeds, barley and rape seeds on the area of circa 132'000 ha. The Group is entitled to receive all commodities harvested out of those lands.

The Group recognized a gain of USD 12,780 thousand (30 June 2023: loss of 3,599 thousand) from the forward contracts of previous period as a result of change in contractual terms and conditions of deliveries.

10 INVENTORIES

	<u>30 June 2024</u>	<u>30 June 2023</u>
Own production	18,710	38,782
Grains & Oilseeds purchased for resale	500,233	434,674
Spare parts	4,770	4,001
Packing materials	1,387	1,221
Raw materials for agricultural products	83	442
Fertilizers	12	210
Other inventories	<u>1,547</u>	<u>4,281</u>
	<u>526,742</u>	<u>483,611</u>

Own production is made by the following:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Refined vegetable oil	1,137	3,886
Crude vegetable oil	11,200	28,517
Sunflower meal	3,274	662
Soya meal	498	2,063
Bottled vegetable oil	1,726	3,580
Other Grains & Oilseeds	<u>875</u>	<u>74</u>
	<u>18,710</u>	<u>38,782</u>

Grains & Oilseeds purchased for resale are made up as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Wheat	31,971	86,628
Barley	13,655	50,424
Sunflower	109,429	107,834
Corn	41,681	40,155
Other Grains & Oilseeds	253	67
Soya	102,764	22,628
Rape	26,310	22,983
Crude vegetable oil	125,438	100,747
Soybean meal	28,961	-
Sunflower meal	<u>19,771</u>	<u>3,208</u>
	<u>500,233</u>	<u>434,674</u>

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10 INVENTORIES (CONTINUED)

As of the date of the present consolidated financial statements, USD 196,390 thousand (30 June 2023: USD 144,220 thousand) of the inventories of the Group, as described above, were pledged to several trade finance providers of the Group, while the majority of inventories have been free of lien.

Inventories are characterized as readily marketable inventories (RMI) since they relate to commodities which have been purchased by the Group with the intention to be sold. These are treated by the Group as readily convertible into cash because of their commodity characteristics and the fact that there are widely available markets and international pricing mechanisms. The management estimates that the readily marketable inventories represent 98% of the inventories as at the end of the reporting period.

Grains & Oilseeds purchased for resale amounting to USD 500,233 thousand are valued at fair value less costs to sell, Own production and other inventories amounting to USD 26,509 thousand are valued at the lower of cost or net realisable value.

11 TRADE AND OTHER RECEIVABLES

	<u>30 June 2024</u>	<u>30 June 2023</u>
Trade receivables	251,352	200,662
Receivables from related parties (Note 29)	27,483	9,744
Receivables from the State budget	2,812	6,183
Receivables from employees	520	368
Other account receivables	8,335	8,558
Less: Expected credit loss allowance under IFRS 9 (Note 4.9)	(10,859)	(15,748)
Less: bad debts provision	<u>(3,412)</u>	<u>(3,291)</u>
	276,231	206,476
Advances to suppliers	<u>195,295</u>	<u>169,064</u>
	<u><u>471,526</u></u>	<u><u>375,540</u></u>

The amount of value added tax ("VAT") receivable included in the Receivables from the State budget amounts to USD 2,812 thousand (30 June 2023: USD 6,183 thousand). This amount is applicable for the refund from the Government as well as there is a possibility to net off the amount with VAT inland sales.

The movement in allowance for doubtful accounts receivables given is as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Balance as at 1 July	(19,039)	(18,305)
Less: Credit loss allowance under IFRS 9 for current period	4,889	(1,119)
Bad debts written off	(121)	410
Exchange rate differences	<u>-</u>	<u>(25)</u>
Balance at financial year ending as at 30 June	(14,271)	(19,039)

Advances	<u>30 June 2024</u>	<u>30 June 2023</u>
Balance at financial year ending as at 30 June	<u><u>195,295</u></u>	<u><u>169,064</u></u>

Advances to suppliers relate to the Group's trading operations, have a non-financial character as the Group expects all advances granted to be turned into deliveries of agricultural commodities.

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11 TRADE AND OTHER RECEIVABLES (CONTINUED)

The balance of the receivables from personnel represents the amounts provided to the directors of the companies to fulfil acquisitions of the commodities from the small farmers and as of 30 June 2024 the balance of such amounts is USD 520 (30 June 2023: USD 368).

The reverse for the year ended 30 June 2024 following the ECL model was USD 4,889.

The carrying amounts of the Group's Trade receivables and other accounts receivables are denominated in the following currencies:

	<u>30 June 2024</u>	<u>30 June 2023</u>
MDL	10,350	25,154
USD	164,496	113,180
EUR	66,864	48,548
RON	1,515	3,201
RSD	<u>16,461</u>	<u>19,584</u>
	<u><u>259,686</u></u>	<u><u>209,667</u></u>

The Group does not hold any collateral over the trading balances.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. The Group's exposure to credit and market risks, and impairment losses related to trade and other receivables are disclosed in Note 4.

12 LEASE LIABILITIES

The Group leases land and port infrastructure, located in the Giurgiulesti, used for its transshipment purposes of traded commodities, as well as vehicles for its operational activity.

As of the date of reporting, the Group leases the following plots of land and port infrastructure through its subsidiaries:

- Trans Cargo Terminal SRL – 25,815 square metres – storage facility and forwarding services provider of grains;
- Trans Bulk Logistic SRL – 7,717 square metres – storage facility and forwarding services provider of oil production.
- Danube Oil Company SRL – 37,070 square metres - crushing facility.

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12 LEASE LIABILITIES (CONTINUED)

Lease liabilities comprise the discounted future fixed payments for land lease and annual minimum commitment for transhipped volumes of commodities via Danube Logistics's jetties.

As of 30 June 2024, annual minimum commitment payable for Trans Cargo Terminal SRL amounted to USD 685 thousand.

The following is the maturity analysis of lease payments under the lease agreements as of 30 June 2024:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Payable within one year	2,041	1,903
Payable in the second to fifth years	7,767	7,162
Payable after five years	<u>12,090</u>	<u>12,199</u>
Total	21,898	21,264
<i>Less</i>		
Future finance charges	<u>(9,134)</u>	<u>(8,671)</u>
Present value of lease obligations	12,764	12,593
<i>Less</i>		
Current portion	<u>(891)</u>	<u>(700)</u>
Lease obligations, long-term portion	<u>11,873</u>	<u>11,893</u>

13 CASH AND CASH EQUIVALENTS

	<u>30 June 2024</u>	<u>30 June 2023</u>
Cash at banks in foreign currencies	5,359	9,122
Cash in transit	43	44
Cash in USD	128,733	48,623
Restricted cash (DSRA)	-	9,930
Cash in hand	<u>68</u>	<u>38</u>
	<u>134,203</u>	<u>67,757</u>

Restricted cash in amount to USD 9,930 are balances in VTB Europe bank, which was sanctioned by OFAC in relation to Ukraine. The Group management has officially requested OFAC to release the funds. As of June 30, 2024 the fund has been released.

14 SHARE CAPITAL

	30 June 2024		30 June 2023	
	Number of shares	Amount	Number of shares	Amount
Ordinary shares	12,572	18	12,572	18
Share premium	<u>-</u>	<u>20,437</u>	<u>-</u>	<u>20,437</u>
	<u>12,572</u>	<u>20,455</u>	<u>12,572</u>	<u>20,455</u>

In June 2019, International Finance Corporation ("IFC") being a redeemable preference shareholder of the Group, has sold its 1 B redeemable preference share to Mr. Vaja Jhashi for a price of USD 14 and has been cancelled.

On 18 June 2019, Oaktree Capital Management LP via its vehicle Cooperstown SARL acquired a 12.5% interest in Aragvi Holding International Ltd (the parent company of the Group) through a conversion of a loan granted to the Group in 2015 into equity. Principal, accrued interest exit fees and other commissions totalled USD 20,175 have been agreed by the parties to be the subscription or consideration amount.

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15 BORROWINGS

	<u>30 June 2024</u>	<u>30 June 2023</u>
Non-current		
Bank borrowings	81,160	57,236
Loan from related parties (Note 29.3)	22,081	20,775
Loan interest unwinding	<u>687</u>	<u>642</u>
	<u><u>103,928</u></u>	<u><u>78,653</u></u>
Current		
Bank borrowings	269,175	169,333
Bonds accrued interest	<u>7,476</u>	<u>7,476</u>
	<u><u>276,651</u></u>	<u><u>176,809</u></u>

The Group has a secured Pre-export syndicated facility arranged by ING Bank N.V. with USD 1,000 carrying amount at 30 June 2024 (2023: nil). The Group has also a secured Pre-Crop syndicated facility arranged by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), with a carrying amount of USD 43'000 at 30 June 2024 (30 June 2023: USD 43,000). Both facilities have a short-term nature. As of 30 June 2024, the Group was in compliance with all covenants requirements and was in no breach of financial covenants.

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15 **BORROWINGS (CONTINUED)**

Borrowings' reconciliation of movements to cash flows arising from financing activities are presented as follows:

Balance as of 1 July 2023:	255,462
Net movement in loans and borrowings	<u>(121,469)</u>
	376,933
Finance expenses accrued	92,313
Finance expenses paid	(88,632)
The effect of changes in foreign exchange rates	<u>(35)</u>
Borrowings as of June 30, 2024	380,579

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	<u>Year ended</u> <u>30 June 2024</u>	<u>Year ended</u> <u>30 June 2023</u>
6 months or less	215,542	73,859
6-12 months	53,633	102,949
1-5 years	111,404	78,654
Over 5 years	<u>-</u>	<u>-</u>
	<u><u>380,579</u></u>	<u><u>255,462</u></u>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	<u>30 June 2024</u>	<u>30 June 2023</u>
USD	178,537	114,187
EUR	127,952	141,275
CHF	67,034	-
RSD	<u>7,056</u>	<u>-</u>
	<u><u>380,579</u></u>	<u><u>255,462</u></u>
	<u>30 June 2024</u>	<u>30 June 2023</u>
Total bank loans	350,335	226,569
Other financial liabilities	7,476	7,476
Loan from related party (Note 29.3)	<u>22,768</u>	<u>21,417</u>
Total	<u><u>380,579</u></u>	<u><u>255,462</u></u>

Split of Group's loans and borrowings by nominal interest rates as of 30 June 2024:

Interest rate range %	<u>0-3</u>	<u>3-5</u>	<u>5-8</u>	<u>8-10</u>	<u>10-12</u>	<u>Total</u>
Loans and Borrowings	20,002	10,251	92,225	179,172	78,929	380,579

Split of Group's loans and borrowings by nominal interest rates as of 30 June 2023:

Interest rate range %	<u>0-3</u>	<u>3-5</u>	<u>5-8</u>	<u>8-10</u>	<u>10-12</u>	<u>Total</u>
Loans and Borrowings	19,105	25,564	146,556	21,238	43,000	255,462

The bank borrowings are pledged by the Group inventories, trade receivables and property, plant and cash and cash equivalents.

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16 BONDS ISSUED

	<u>30 June 2024</u>	<u>30 June 2023</u>
Secured senior notes	500,000	500,000
Less: Unamortized debt issue costs	<u>(7,800)</u>	<u>(11,341)</u>
	<u><u>492,200</u></u>	<u><u>488,659</u></u>

In April 2021 the Group issued US\$400m 5NC3 high yield bond ('the Notes') that will mature on 29 April 2026. The bond with ISIN code XS2326545204 is admitted on the Euronext Dublin under Global Exchange market ('GEM'). The Notes coupon started to accrue from 29 April 2021 at the rate of 8.45% per annum payable semi-annually in arrears on 29 April and 29 October each year commencing from 29 October 2021.

The Notes are secured, ranking equally with all existing and future senior indebtedness of the Issuer and have been unconditionally and irrevocably guaranteed by designated Group subsidiaries on the joint and several basis to the maximum extent permitted by law.

The noteholders will share in the benefit of the Security. The Security consists of substantially all of the movable assets (excluding commodities) of Agrofloris-Nord SRL, Elevatorul Iargara SA, Floarea Soarelui SA, Molgranum SRL, Trans Bulk Logistics SRL, Trans Cargo Terminal SRL, Uleinord SRL, Combinatul de Cereale Aur Alb SA, Elevatorul Kelley Grains SA, Trans Oil Refinery SRL and Reniyskiy Elevator ALC.

The Notes contain certain restrictive covenants that limit the ability of the Issuer and, where applicable, its restricted subsidiaries to create or incur certain liens, make restricted payments, engage in amalgamations, mergers or consolidations, or combination with other entities; make certain disposals and transfers of assets; and enter into transactions with affiliates.

Bond's reconciliation of movements to cash flows arising from financing activities are presented as follows:

Balance as of 1 July 2023:	488,659
Amortization of fees and commission re 8.45%/2026 bond	3,541
Bond issued as of 30 June 2024	492,200

On or after 20 April 2024, the Issuer may redeem the Notes in whole, but not in part, at the redemption prices (expressed as percentages of the principal amount of the Notes) set forth below, plus accrued and unpaid interest to (but excluding) the applicable redemption date, if redeemed during the periods indicated below:

<u>Year</u>	<u>Percentage</u>
Twelve-months beginning on 29 April 2024	104.225 per cent.
Nine-months beginning on 29 April 2025	102.1125 per cent.
Three-months beginning on 29 January 2026	100 per cent.

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16 BONDS ISSUED (CONTINUED)

At any time prior to 29 April 2024, upon not less than 30 nor more than 60 days' notice, the Issuer may redeem the Notes in an aggregate principal amount not to exceed 35 per cent of the aggregate principal amount of the Notes with the net cash proceeds of one or more Equity Offerings, at a redemption price equal to 108.45 per cent of the principal amount redeemed, plus accrued and unpaid interest, if any, to the date of redemption, provided that at least 65% of the principal amount of the Notes remains outstanding immediately after each such redemption.

In addition, at any time prior to 29 April 2024, the Issuer may redeem the Notes in whole, by paying the principal amount, plus accrued interest, together with the Make Whole Premium as more fully described in the Conditions. Upon a change of control event each noteholder has the right, but not the obligation, to require the Issuer to purchase the Notes at the purchase price equal to 100 per cent of their principal amount, plus accrued and unpaid interest to the purchase date.

The proceeds from the issue were used to finance an early redemption of the outstanding US\$ 300m 12% Notes due 2024 via an any-and-all tender offer and exit consent exercise with additional funds directed for general corporate purposes, including financing of the Group's working capital.

The Notes were rated in line with the Issuer's IDR by Fitch (B) and S&P (B-).

On 2nd of June 2021 the Group issued a US\$50m tap of the US\$400m 5NC3 bond. It was priced at a yield of 7.45% / price of 104.033. Rating agencies reaffirmed the credit ratings of the Group and the Notes following the US\$50m tap issue - Fitch (B) and S&P (B-). The tap has been priced under the same Terms and Condition as the main issuance. On 10th September 2021, the Group successfully priced another US\$50m tap issuance of the original US\$450m Eurobond due 2026. The transaction brings the outstanding Eurobond to a total benchmark size of US\$500m. The tap was priced at price of 104.125 reflecting final yield of 7.33% (YTW) – well inside the original issue yield.

17 BOND PREMIUM

	<u>30 June 2024</u>	<u>30 June 2023</u>
Bond premium	6,121	6,121
Less: amortization	<u>(3,564)</u>	<u>(2,340)</u>
	<u>2,557</u>	<u>3,781</u>

Upon pricing of the tap bond issue on 2nd of June, the Group recognized a bond premium equal to USD 2,439. Upon pricing the second tap bond issue on 10th September 2021, Group recognized another bond premium in amount of USD 3,682.

This premium has been recognized as a result of the yield at which it has been priced – 7.45% or price of 104.133, and respectively 7.33% or price of 104.125 and compared to the coupon – 8.45%. The premium will be amortized in arrears following the linear method until the maturity of the bonds.

18 TRADE AND OTHER PAYABLES

	<u>30 June 2024</u>	<u>30 June 2023</u>
Trade payables	90,112	67,441
Advances received	25,969	23,200
Payroll and social insurance payable	1,695	3,820
Taxes and other payables	<u>7,014</u>	<u>11,780</u>
	<u>124,790</u>	<u>106,241</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above. The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 4.

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19 PROVISIONS

	<u>30 June 2024</u>	<u>30 June 2023</u>
Provision for employees' benefits	1,510	1,544
Provision related to income tax dispute (AFC Geneva, note 27)	2,696	-
Provision related to arbitration case in progress (Note 30)	1,683	-
Other provision	<u>157</u>	<u>-</u>
	<u><u>6,046</u></u>	<u><u>1,544</u></u>

20 REVENUE

	<u>30 June 2024</u>	<u>30 June 2023</u>
Sales of grains and seeds	1,217,092	1,124,172
Sales of vegetable oil	813,190	654,245
Sales of oil meal	174,308	212,947
Sales of packed vegetable oil	68,377	96,410
Port, Storage, Cleaning and Drying Services	17,108	9,115
Sale of other products	<u>19,632</u>	<u>37,449</u>
	<u><u>2,309,707</u></u>	<u><u>2,134,338</u></u>

Information on revenue disaggregation by geographical markets and major products and timing of revenue recognition are disclosed in Note 2 Operating segments.

There were no contract assets or liabilities arising from contracts with customers as of 30 June 2024. The entire revenue recognized over time is considered as from performance obligations satisfied. This is mainly from the short-term nature of service rendered to the Group's customers, that makes the performance obligation short-lived by nature. As of June 30, 2024, revenue from contracts with customers amounted to 2,309,707 thousand USD (2023: 2,134,338 thousand USD). As at 30 June 2024 all trade receivables related to revenue arising from contracts with customers.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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21 COST OF SALES

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening stocks (Own production and Grains & Oilseeds purchased for resale)	473,456	463,587
Purchases of goods for resale	1,910,209	1,732,303
Closing stocks (Own production and Grains & Oilseeds purchased for resale)	<u>(518,943)</u>	<u>(473,456)</u>
	<u>1,864,722</u>	<u>1,722,434</u>
Depreciation (Note 7)	15,316	14,085
Water gas and electricity	7,057	6,470
Wages and salaries	10,031	9,568
Consumables	1,502	1,113
Transportation	2,343	2,582
Packing materials	6,249	6,148
Social contributions	1,656	1,523
Port services	2,480	2,878
Rent	1,458	1,275
Fuel	2,137	2,026
Maintenance	1,736	1,664
Materials	1,705	1,814
Other expenses	<u>1,348</u>	<u>1,166</u>
	<u>1,919,740</u>	<u>1,774,746</u>

22 SELLING AND DISTRIBUTION

	<u>30 June 2024</u>	<u>30 June 2023</u>
Freightage expenses	95,565	86,865
Transportation	26,254	34,988
Railroad expenses	4,374	3,497
Wages and salaries	3,987	3,241
Credit loss allowance under IFRS 9 (Note 11)	(4,768)	734
Inspections and surveys	2,527	2,642
Demurrage expenses	6,266	7,959
Other commercial services	1,341	2,088
Certification and expertise	217	236
Custom duties	311	266
Packing expenses	1,080	1,169
Loading expenses	11,012	10,500
Depreciation (Note 7)	5,276	3,139
Storage Services	6,601	3,542
Marketing services	246	201
Social contributions	927	760
Insurance expenses	6,044	4,928
Brokerage expenses	1,999	3,057
Other Selling and Distribution expenses	<u>3,784</u>	<u>5,390</u>
	<u>173,043</u>	<u>175,202</u>

ARAGVI HOLDING INTERNATIONAL LIMITED
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23 ADMINISTRATIVE EXPENSES

	<u>30 June 2024</u>	<u>30 June 2023</u>
Wages and salaries	12,707	11,553
Bank expenses	1,044	791
Social contributions	2,888	2,427
Taxes	822	2,301
Legal and consulting expenses	2,741	1,562
Entertainment and representation expenses	274	190
Depreciation (Note 7)	1,948	1,154
Audit fees	532	273
Maintenance	666	696
Rent	517	1,048
Telephone and postage	300	281
Survey expenses	382	377
Fuel	243	249
Insurance expenses	491	478
Travelling and accommodation	2,541	1,809
Notary's fees	412	262
Other administrative expenses	<u>441</u>	<u>350</u>
	<u><u>28,949</u></u>	<u><u>25,801</u></u>

24 OTHER LOSSES – NET

	<u>30 June 2024</u>	<u>30 June 2023</u>
Loss on disposal of fixed assets	122	249
Depreciation (Note 7)	2,312	1,947
Impairment of assets	-	5,679
Rent expenses	155	132
Inventory write off	590	309
Fines and claims	1,909	200
Tax expenses	230	653
Profit from sale of other inventories	550	100
Wages and salaries	994	664
Social contributions	230	146
Repair and maintenance	452	134
Other losses /(gains)	<u>1,443</u>	<u>(908)</u>
	<u><u>8,987</u></u>	<u><u>9,305</u></u>

25 OTHER INCOME

	<u>30 June 2024</u>	<u>30 June 2023</u>
Customers' demurrage	609	-
Bargain purchase	-	-
Proceeds from penalties and claims	2,881	138
Gain from write off of expired trade payables	47	44
Stock count surplus	1,475	3,127
Transportation and other services	1,351	1,517
Reversal of bad debt provision	-	2,398
Other operating income	<u>2,199</u>	<u>3,186</u>
	<u><u>8,562</u></u>	<u><u>10,410</u></u>

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

26 NET FINANCE COSTS

	<u>30 June 2024</u>	<u>30 June 2023</u>
Interest expenses	39,848	22,028
Loan Commissions	6,115	7,014
Bank Commissions	2,665	2,124
Interest on bonds issued	42,250	42,133
Amortization of bonds issued costs (Note 17)	2,943	2,686
Amortization of bond premium	(1,224)	(1,224)
Lease interest expenses	1,435	1,254
Loan interest unwinding	1,351	1,263
Net foreign exchange difference	<u>2,707</u>	<u>(9,421)</u>
Net finance costs	<u>98,090</u>	<u>67,857</u>

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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27 INCOME TAX EXPENSE

The Company accrued income taxes at the rate of 12% on profits computed in accordance with the tax legislation of the Republic of Moldova, Switzerland (13.99%), Cyprus (12.5%), Ukraine (18%), Romania (16%), Ireland (12.5%), United Arab Emirates (9%) and Serbia (15%). For the residents of Free trade zone Giurgiulesti there is a 6% tax rate applicable for all types of profits underlying the transactions inside the Giurgiulesti International Free Port according to the special law of “Giurgiulesti International Free Port” (articles 7 and 8).

Profit before taxation for financial reporting purposes is reconciled to tax expense as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Profit before taxation	89,460	91,837
Current tax expense for the period at effective statutory rate of 6%-18% (2023: 6%-18%)	(19,703)	(20,194)
Deferred income tax expense reported in the income statement	<u>(2,140)</u>	<u>1,756</u>
Income tax expenses	<u><u>(21,843)</u></u>	<u><u>(18,438)</u></u>

The income tax expense is reconciled to the profit before income tax per Consolidated Statement of Profit or Loss as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Profit before taxation	<u>89,460</u>	<u>91,837</u>
Tax Expenses at Moldovan/Serbian/Swiss/Romanian/Ukrainian blended statutory rate (12%/13.99%/15%/16%/18%)	(13,160)	(12,370)
Effect of 50% reduction in Moldovan tax rate due to residency in special tax zone	-	21
Effect of reversed income tax provision (Swiss)	(2,696)	-
Effect of different tax rates of Subsidiaries operating in other jurisdictions (Ukraine and Romania)	105	87
Other expenditures not allowable for income tax purposes and non-taxable income	<u>(6,092)</u>	<u>(6,176)</u>
Income tax expenses	<u><u>(21,843)</u></u>	<u><u>(18,438)</u></u>

The effective corporate income tax rate for the financial year ended 30 June 2024 is 22.46% (30 June 2023: 20.05%).

TOI Commodities SA – the Group’s Swiss subsidiary, has been subject of the total tax control for the period covering 2012-2021, undertaken by Swiss Tax Authorities (Office of Foreign Asset Control, ‘AFC’). In the letter received on 30 November 2022, AFC did not recognize certain adjustments, posted by the management in FY2020 and FY2021. It resulted in an increase of the taxable profit of USD 35.072 million. The Corporate Income Tax attributable to this increase is equal to USD 4.910 million (CHF 4.592 million) (@ 14%). In financial year 2022, Group recognized a provision in full amount of USD 4.910 million. During financial year 2023, Management decided to object the decision with AFC and engaged a law firm, OBERSON & ABELS to defend the Company’s position in front of the AFC. Taking into consideration this action, in financial year 2023, 50% of provision (2.455 USD) has been reversed.

As of the date of this report, there is no resolution on the AFC case, therefore the Management has restored, in the full amount, the AFC provision, in its Group accounts.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

27 INCOME TAX EXPENSE (CONTINUED)

The effective corporate income tax rate for the financial year ended 30 June is reconciled as follows:

	30 June 2024		30 June 2023	
	%	Amount	%	Amount
Profit before tax from continuing operations		89,460		91,837
Tax using the Group's jurisdictions blended tax rate	14.41	13,160	16.24	12,370
Tax effect of:				
Swiss segment tax provision		2,696		
Cypriot segment tax loss				
Moldovan segment tax profits				
Tax incentives	(0.12)	(105)	(2.3)	(20)
Non-deductible expenses	<u>6.7</u>	<u>6,092</u>	<u>6.6</u>	<u>6,088</u>
	<u>20.97%</u>	<u>21,843</u>	<u>20.05%</u>	<u>18,438</u>

The financial year is different from the fiscal year and the tax is provided based on the management best estimates available at the end of the financial year.

Deferred tax represents the amount of temporary difference for the non-current tangible assets. Deferred tax has been accrued and apportioned to income statement as expense and other comprehensive income for the portion arising due to revaluation of non-current tangible assets of Group entities in the following amounts:

Deferred tax liability as of 30 June 2023	34,475
- Movement from Serbian component	<u>556</u>
Deferred tax liability as 30 June 2024	<u>35,031</u>

28 EMPLOYEE BENEFIT EXPENSE

Contributions are made to the government's retirement benefit scheme at the statutory rates in force during the period based on gross salary payments. The cost of social security payments is charged to the profit or loss in the same period as the related salary cost. There are no other employee benefits. The cost of social security and other funds payments for the year ended 30 June 2024 amounted to USD 7,335 (30 June 2023: USD 6,226).

	30 June 2024	30 June 2023
Wages and salaries	32,828	28,016
Social insurance costs and other funds	<u>7,335</u>	<u>6,226</u>
	<u>40,163</u>	<u>34,242</u>

The total wages and salaries and social insurance costs and other funds do not reconcile to the respective lines, included in the notes related to Statement of Profit or Loss. Part of the total employees' expenses are accounted in other lines of the aforementioned notes, due to the inclusion of the workmanship into other lines that subsequently had been expensed to other lines.

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29 RELATED - PARTY TRANSACTIONS

The ultimate controlling parties as of 30 June 2024 and during the financial period then ended were Mr. Vaja Jhashi (87.5%) and Oaktree Capital Management LP via Cooperstown SARL (12.5%). The shareholders and their representatives in the Board of Directors and the Management Board act in co-operation with each other as part of governing and implementing the financial and operating policies of the Group.

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The following list represents other related (non-consolidating parties):

Entity	Principal activity	Country of incorporation
Vaja Jhashi	Shareholder	n/a
Delta Commodities & Financial Services SA (DCFS)	Relationship via the shareholder	Switzerland
Silcampes-Sud SRL	Relationship via the relatives of the one of the management of Aragvi	Moldova
Floarea International SRL	Relationship via the DCFS	Romania
Cooperstown SARL	Shareholder	Luxembourg

Balances with related parties

	<u>30 June 2024</u>	<u>30 June 2023</u>
29.1 Advance balances and accounts receivable (Note 11)		
Mr.Vaja Jhashi (shareholder)	3,382	2,424
Floarea International SRL	351	491
Delta Commodity & Financial Services SA	24,132	6,814
Silcampes-Sud SRL (other related party)	<u>26</u>	<u>26</u>
	<u><u>27,891</u></u>	<u><u>9,755</u></u>

	<u>30 June 2024</u>	<u>30 June 2023</u>
29.2 Advance balances and accounts payables		
Delta Commodity & Financial Services SA	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

ARAGVI HOLDING INTERNATIONAL LIMITED
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29 RELATED - PARTY TRANSACTIONS (CONTINUED)

Mr. Vaja Jhashi receivables balance as at 30 June 2024 is non-interest bearing and does not have a specified maturity date.

	30 June 2024	30 June 2023
29.3 Loan from related party (Note 15)		
Mr.Vaja Jhashi (shareholder)	21,203	19,334
Cooperstown SARL (shareholder)	878	819
Loan interest unwinding	<u>687</u>	<u>1,263</u>
	<u><u>22,768</u></u>	<u><u>21,416</u></u>

The shareholder loans provided during the financial period 2021 are related to the financing of VictoriaOil acquisition. Loans are interest bearing and subordinated to the claims of other creditors of VictoriaOil and the payment of interest and the principal amount under the shareholder loan is deferred until after the final redemption date of the Bond notes. Loans mature in November 2027.

The loan amounting 14,169, granted by Mr. Vaja Jhashi, the main shareholder, is non-interest bearing. Also, the loan is subordinated to note holders (Note 15) and to several financial institutions - providers of trade finance facilities to the Group. As of 30 June 2024, the Group has accounted for the fair value of non-current financial liabilities, which related to the shareholder's loans.

Key management compensation for year ended as at 30 June 2024 amounts to USD 3,542 (30 June 2023: USD 2,587 thousand). Compensation of the Group's key management personnel includes salaries and bonuses, representing short-term employee benefits. Remuneration of the Group's Board of Directors for the year ended as at 30 June 2024 amounted to USD 330 thousand (2023: USD'330 thousand).

30 CONTINGENCIES AND COMMITMENTS

Covenants

The Group has a secured Pre-export syndicated facility arranged by ING Bank N.V. with USD 1,000 carrying amount at 30 June 2024 (30 June 2023: nil). The Group has also a secured Pre-Crop syndicated facility arranged by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), with a carrying amount of USD 43'000 at 30 June 2024 (30 June 2023: USD 43,000). Both facilities have a short-term nature. As of 30 June 2024, the Group was in compliance with all covenants requirements and was in no breach of financial covenants.

Taxation

The legislation and fiscal environment in Serbia, Romania and Moldova and their implementation into practice change frequently and are subject to different interpretations by various Ministries of the Governments. The governments have a number of agencies that are authorized to conduct audits ("controls") of Group companies. These controls are similar in nature to tax audits performed by taxing authorities in many countries but may extend not only to tax matters but to other legal or regulatory matters, which the applicable agency may be interested. Corporate income tax returns are subject to review and correction by the tax authorities for a period generally up to five-seven years subsequent to their filing and, consequently, the Group's subsidiaries tax returns are subject to such review.

ARAGVI HOLDING INTERNATIONAL LIMITED
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30 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Taxation (continued)

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements; however, the risk remains that tax authorities could take differing positions with regard to the interpretation of these issues and the effect could be significant.

The Group has implemented a transfer pricing policy that became effective on 1 January 2022. The procedures and applicable approach cover all Group subsidiaries, regardless of its jurisdictions.

Legal proceedings

During the financial year, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the results of operations or financial position of the Group, and which have not been accrued or disclosed in these consolidated financial statements.

Guarantees issued

During the financial year, the Group, in its capacity as the final off-taker, issued a commercial guarantee letter to secure the payment obligations under a commercial contract concluded between one of the Group's direct suppliers and the original supplier, in the amount of USD 16.6 million. During the year, the Group was notified that the direct supplier had failed to fulfill its payment obligations to the original supplier. As a result, the original supplier initiated arbitration proceedings with the intent to recover payment for the cargo, which was eventually delivered by the direct supplier to the Group.

As of 29 March 2024, the Group's supplier has been included by OFAC on the SDN List, meaning that the Group is prohibited from participating in any transactions involving individuals and entities on the SDN, given that Aragvi Holding International LTD is directly owned by an American citizen and an American investment fund.

As of the date of this report, the Group continues to be involved in arbitration proceeding with the original supplier. Nevertheless, the Group has recognized in its book the amount payable for the delivered cargo and other related costs (Note 19).

31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES

Operating Environment

Over the recent years, the Group has expanded its operations through several new geographic regions and countries, some of which are categorized as developing, complex or having unstable political or economic landscapes. As a result, the Group is exposed to a range of political, economic, regulatory, social and tax environments.

The Group's assets are mainly concentrated in Moldova, Romania and Serbia. Also, the Group is operating in Black Sea (Moldova, Romania and Ukraine), Central Europe (Serbia, Montenegro, Croatia and North Macedonia) Mediterranean, Middle East and Americas markets as a basis of origination and marketing. The Group continues to actively engage with governmental authorities in light of potential changes and developments in legislation and enforcement policies.

Moldova:

Moldova has undergone substantial political and economic change. Being an emerging market, Moldova does not possess a well-developed business infrastructure, which generally exists in a more mature free market economy.

As a result, operations carried out in Moldova are generally riskier than those in developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors could affect the Group's ability to operate commercially.

It is not possible to estimate what changes may occur or the resulting effect of any such changes on the Group financial condition or future results of operations. The market in which the Group operates is one with medium competition and the Group is the leading enterprise with the largest share of the Moldovan market (more than 50% of the grains and oilseeds market capacity).

31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES (CONTINUED)

Romania:

Romania has recently been classified as a high-income country by the World Bank in recognition to its high economic growth and, economic and political reforms the country has undergone since joining the European Union. Romania has a sovereign investment grade rating set by the major rating agencies. The Group operates a crushing facility in Romania, as well as trading operations in Constanta port. Romanian grains and oilseeds market is highly competitive with major global players operating in the country; therefore the margins are tighter than in Moldova.

Ukraine:

Following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation in February 2022 military conflicts have escalated and the Russian Federation commenced military operations in Ukraine. The military conflict in Ukraine has a detrimental impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. The Group's port facilities located in Reni, Odessa Region, Ukraine operate normally during the financial period reported, denoting an increased demand for its throughput capacities. The utilisation rate of the Reni port facilities crossed 100% mark in FY2022. Group continues close collaboration with Ukrainian agricultural producers, traders and local authorities, in order to facilitate the export of Ukrainian commodities through the Group's value chain.

The consolidated financial statements reflect management's assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Serbia:

The Serbian economy is vulnerable to external shocks and remains potentially exposed to a deterioration in global economic conditions. For instance, any significant decline in the economic growth of Serbia's main trading partners, including the EU member states, or any other deterioration in Serbia's relationships with such trading partners, could have an adverse effect on Serbia's balance of trade and adversely affect Serbia's economic growth. Serbia's exports are largely directed towards the EU, and are therefore reliant on demand from the countries comprising the EU. The Group operates in Serbia a crushing plant, Victoria Oil d.o.o - one of Serbia's leading agri-business companies and one of the largest producers and exporters in both Serbia and the region, and Balkan Commodities International d.o.o and its subsidiaries - Luka-Backa Palanka d.o.o., Zito-Backa Kula d.o.o. and Granexport d.o.o. - owning several inland grain storages and two port terminals on Danube River in Serbia.

United Arab Emirates:

The United Arab Emirates registered high economic performance in recent years, backed by ongoing reforms in banking, tourism and construction sectors. During the financial year 2022, the Group incorporated TOI Commodities Middle East DWC-LLC, a trading company, aiming to undertake the group's trading activities in the MENA region.

ARAGVI HOLDING INTERNATIONAL LIMITED
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31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES (CONTINUED)

Contingent liabilities

The Group has contingent liabilities in respect of lease agreements in force as of the reporting date. It is not anticipated that any material liabilities will arise from the contingent liabilities except the following:

- i. Subsidiary Trans Cargo Terminal SRL has a commitment to restore the land after the lease agreement is expired (agreement between Trans Cargo Terminal SRL and Danube Logistic SRL as a lessor). Total amount of forecasted expenses is USD 95. The lease agreement has a maturity in year 2032.
- ii. Subsidiary Trans Bulk Logistic SRL has a commitment to restore the land after the lease agreement is expired (agreement between Trans Bulk Logistic SRL and Danube Logistic SRL as a lessor). Total amount of forecasted expenses is USD 42. The lease agreement has a maturity in year 2032.

32 ENTITIES DIRECTLY INVESTED WHICH ARE NOT CONSOLIDATED

The Group has investment in entities which are not consolidated (as stated in Note 4). The investment to the entities mentioned above is nil. The net assets of these entities equal to the investment to the subsidiary.

33 PLEDGED ASSETS

The Group's main assets are pledged to the note holders. Please refer to Note 16 for more information.

34 SUBSEQUENT EVENTS

In July 2024, the Group renewed and upsized its long-established Pre-Export Facility (or Borrowing Base), committed by an international banking pool including DFI's and prime commercial banks. The Borrowing Base facility has been increased from USD 150 million to USD 177.5 million, marking a significant milestone in the Group's growth and development.

In July 2024, The Group has strengthened its own fleet, by acquisition of a motor tanker, with a carrying capacity of up to 17,000 metric tons of oils.

In August 2024, Global Grain International, a subsidiary of Trans-Oil Group, secured EUR 25 million Romanian Government Aid through National Program INVESTALIM. The granted state aid will be allocated towards the construction of a state-of-the-art processing facility in Ialomita County. This new plant is designed to process up to 300,000 tons of soybeans or rape seeds annually, bolstering Romania's agricultural processing capabilities and contributing to the local economy. The overall costs to build the processing facility are projected to reach up to 212 million RON (approximately EUR 43 million).

ARAGVI HOLDING INTERNATIONAL LTD

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Vaja Jhashi Executive Managing Director
	Asif Javed Chaudhry Non-Executive Director
	Cem Osmanoglu Non-Executive Director
	Stephane Frappat Non-Executive Director
	Alain Stephane Robert Dorthe Non-Executive Director
	Tommy Gade Jensen Non-Executive Director
Company Secretary:	Eleni Karra
Independent Auditors:	KPMG Limited Chartered Accountants Millenium Lion House, 1 G. Aradippioti Street, P.O Box 40075, 6016, Larnaca, Cyprus.
Registered Office:	Menandrou 4, GALA Tower, Floor 2, 1066, Nicosia, Cyprus.
Registration Number:	HE 308295

ARAGVI HOLDING INTERNATIONAL LIMITED MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Board of Directors and management of Aragvi Holding International Limited presents to the members their report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 30 June 2023, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The management is responsible for ensuring that the Company keeps accounting records, which comply with local laws and regulations and also Aragvi Holding International Limited internal regulations and enables it to prepare financial statements in accordance with IFRS as adopted by the EU, which disclose fairly, in all material respects, its financial position and results of operations and cash flows in accordance with IFRSs as adopted by the EU. Management also has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The management considers that, in preparing the consolidated financial statements set out on pages 9 to 85, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that, appropriate International Financial Reporting Standards as adopted by the EU have been complied with.

Incorporation

The Company Aragvi Holding International Limited was incorporated in Cyprus on 21 June 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are:

- Oilseeds processing
- Grains origination and marketing
- Transshipment & freight services

Changes in group structure

No changes in group structure have occurred during financial year 2023.

Examination of the development, position, and performance of the activities of the Group

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

The most important developments of the Group are:

- Integration in the Group's supply chain of own fleet– 2 oil tankers, 1 dry bulk vessel, with a capacity of 2.2 -2.9 thousand metric tons and 1 Handymax, with a capacity of 21 thousand metric tons.
- Initiation of construction of a brand-new sunflower oil bottling line at Floare Soarelui SA, Balti, Republic of Moldova.
- Upgrading the railway in Ungheni city, Republic of Moldova (located near the Romanian border) aiming to facilitate transshipment of Ukrainian supplies and providing access to broader commodity markets.

Revenue

- The Group's revenue for the year ended 30 June 2023 was US\$2.134.338 thousand (2022: US\$2.675.225 thousand).

Financial Results

- The Group's results for the year are set out on page 11.

Dividends

The Board of Directors does not propose the payment of dividend for the year ended 30 June 2023.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group and the steps taken to manage these risks are described in note 6 of the consolidated financial statements.

Future developments of the Group

At the moment, the Group is considering the options available for construction of a soybean processing facility in Romania, alongside with increasing the production capacity of sun seeds processing at Floarea Soarelui SA, Balti. In addition, the Group is continuously seeking for offers for acquisition of additional motor vessels, barges in order to develop its own fleet.

Otherwise, the Board of Director does not expect any significant changes or developments in the operations, financial position, and performance of the Group in the foreseeable future.

Use of financial instruments by the Group

The Group is exposed to various risks from the financial instruments it holds.

The Group's financial risk management objectives and policies are established to strictly monitor and control all risks faced by the Group while achieving its goals. The most significant risks are disclosed in note 6.

Interest rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Credit risk related to trade receivables: this is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Group does not hold collateral as security.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Research and development activities

The Group did not carry out any research and development activities during the year.

Share capital & Treasury shares

The Company did not make any acquisitions of its own shares either itself directly or through a person acting in his own name or on the Company's behalf.

Branches

During the year ended 30 June 2023 the Group did not operate any branches.

Board of Directors

The Company's Board of Directors structure as at 30 June 2023 and at the date of this report is presented on page 1. In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and in the remuneration of the Board of Directors.

Operating Environment of the Group

Any significant events that relate to the operating environment of the Group are described in note 34 to the consolidated financial statements.

Subsequent Events

Any significant events that occurred after the end of the reporting period are described in Note 38 to consolidated financial statements.


Related party balances and transactions

Disclosed in note 29 of the consolidated financial statements.

Independent Auditors

The Independent Auditors, KPMG Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


Vaja Jhashi
Bucharest, 27 October 2023



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Chartered Accountants
Millenium Lion House
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARAGVI HOLDING INTERNATIONAL LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Aragvi Holding International Ltd (the "Company") and its subsidiaries (the "Group"), which are presented on pages 16 to 88 and comprise the consolidated statement of financial position as at 30 June 2023 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LIMITED

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap. 113.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the management report, our report in this regard is presented in the "*Report on other legal requirements*" section.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease the Group's operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARAGVI HOLDING INTERNATIONAL LIMITED

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors Law 2017, L.53(I)/2017, as amended from time to time ("Law L.53(I)/2017"), and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In the light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the management report.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARAGVI HOLDING INTERNATIONAL LIMITED

A handwritten signature in black ink, appearing to read 'Paris S. Elia', with a long horizontal line underneath.

Paris S. Elia, BA(Hons), FCA

Certified Public Accountant and Registered Auditor
for and on behalf of
KPMG Limited

Certified Public Accountants and Registered Auditors
1 G. Aradippioti Str,
6016 Larnaca,
Cyprus

27 October 2023

ARAGVI HOLDING INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
ASSETS			
Non-current assets			
Intangible assets	8	2,585	2,555
Property, plant and equipment	7	467,359	406,555
Goodwill	8	<u>48,688</u>	<u>48,688</u>
		<u>518,632</u>	<u>457,798</u>
Current assets			
Inventories	10	483,611	484,010
Forward contracts assets	9	112,425	31,313
Trade and other receivables	11	375,540	380,415
Cash and cash equivalents	13	<u>67,757</u>	<u>78,860</u>
		<u>1,039,333</u>	<u>974,598</u>
Total assets		<u><u>1,557,965</u></u>	<u><u>1,432,396</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital and premium	14	20,455	20,455
Retained earnings		514,042	441,467
Currency translation reserve		(5,915)	(7,094)
Fair value reserves		<u>84,029</u>	<u>45,567</u>
		<u>612,611</u>	<u>500,395</u>
NON-CONTROLLING INTEREST		<u>23,722</u>	<u>22,898</u>
Total equity		<u><u>636,333</u></u>	<u><u>523,293</u></u>

The notes on pages 16 to 88 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
LIABILITIES			
Non-current liabilities			
Borrowings	15	78,653	87,058
Bonds issued	16	488,659	485,427
Bond premium	17	3,781	5,006
Lease liabilities	12	11,893	12,519
Deferred tax liabilities	27	34,475	32,536
Advances received	-	<u>117</u>	<u>130</u>
		<u>617,578</u>	<u>622,676</u>
Current liabilities			
Borrowings	15	176,809	207,308
Trade and other payables	18	106,241	73,139
Forward contract liabilities	9	18,760	4,530
Lease liabilities	12	700	617
Provisions	19	<u>1,544</u>	<u>833</u>
		<u>304,054</u>	<u>286,427</u>
Total liabilities		<u>921,632</u>	<u>909,103</u>
Total equity and liabilities		<u>1,557,965</u>	<u>1,432,396</u>

These consolidated financial statements have been approved for issue by the Board of Directors on 27 October 2023 and signed on their behalf by:


Vaja Jhashi
Chief Executive Officer


Alain Stephane Dorthe
On behalf of Board of Directors

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
Revenue	20	2,134,338	2,675,225
Cost of sales	21	<u>(1,774,746)</u>	<u>(2,190,134)</u>
Gross profit		359,592	485,091
Other income	25	10,410	16,657
Selling and distribution costs	22	(175,202)	(239,830)
General and administrative expenses	23	(25,801)	(22,753)
Other losses - net	24	<u>(9,305)</u>	<u>(6,939)</u>
Operating profit		159,694	232,226
Net finance costs	26	<u>(67,857)</u>	<u>(65,453)</u>
Profit before tax		91,837	166,773
Income tax expense	27	<u>(18,438)</u>	<u>(18,439)</u>
Profit for the year		<u>73,399</u>	<u>148,334</u>
Profit attributable to			
Owners of the Company		72,575	140,774
Non-controlling interest		<u>824</u>	<u>7,560</u>
Profit for the year		<u>73,399</u>	<u>148,334</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on revaluation of property, plant and equipment		42,204	-
Related tax		(3,742)	-
Other comprehensive income		<u>38,462</u>	<u>-</u>
Currency translation reserve		1,179	(7,094)
Total comprehensive income for the year		<u>113,040</u>	<u>141,240</u>
Attributable to:			
- Owners of the Company		112,216	133,680
- Non-controlling interest		<u>824</u>	<u>7,560</u>
Total comprehensive income for the year		<u>113,040</u>	<u>141,240</u>

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Attributable to equity holders of the Company</u>							
	Ordinary shares	Share premium	Revaluation reserves	Retained earnings	Translation reserve	Total	Non-controlling Interest	Total Equity
Balance as at 30 June 2022/ 1 July 2021	<u>18</u>	<u>20,437</u>	<u>45,567</u>	<u>300,693</u>	<u>-</u>	<u>366,715</u>	<u>15,338</u>	<u>382,053</u>
Total comprehensive income								
Net profit for the year	-	-	-	140,774	-	140,774	7,560	148,334
Currency translation reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,094)</u>	<u>(7,094)</u>	<u>-</u>	<u>(7,094)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,774</u>	<u>(7,094)</u>	<u>133,680</u>	<u>7,560</u>	<u>141,240</u>
Balance as at 30 June 2022	<u>18</u>	<u>20,437</u>	<u>45,567</u>	<u>441,467</u>	<u>(7,094)</u>	<u>500,395</u>	<u>22,898</u>	<u>523,293</u>

The notes on pages 16 to 88 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

Attributable to equity holders of the Company

	Ordinary shares	Share premium	Revaluation reserve	Retained earnings	Translation reserve	Total	Non- controlling Interest	Total Equity
Balance as at 30 June 2023/ 1 July 2022	<u>18</u>	<u>20,437</u>	<u>45,567</u>	<u>441,467</u>	<u>(7,094)</u>	<u>500,395</u>	<u>22,898</u>	<u>523,293</u>
Total comprehensive income								
Net profit for the year	-	-	-	72,575	-	72,575	824	73,399
Currency translation reserve	-	-	-	-	1,179	1,179	-	1,179
Fixed assets revaluation surplus, net of tax	-	-	38,462	-	-	8,462	-	38,462
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>38,462</u>	<u>72,575</u>	<u>1,179</u>	<u>82,216</u>	<u>824</u>	<u>113,040</u>
Balance as 30 June 2023	<u>18</u>	<u>20,437</u>	<u>84,029</u>	<u>514,042</u>	<u>(5,915)</u>	<u>612,611</u>	<u>23,722</u>	<u>636,333</u>

The notes on pages 16 to 88 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
Cash flows from operating activities			
Net profit before taxation		91,837	166,773
Adjustments for:			
Movement in allowance for doubtful receivables	22	734	7,743
Depreciation and amortization	21 - 24	20,325	17,089
Fair value loss/(gain) on forward contracts	9	3,599	(6,563)
Impairment of assets	24	5,679	-
Gains from write off of expired trade payables	25	(44)	(103)
Loss on disposal of fixed assets	26	249	370
Unrealised foreign exchange gain net	26	(9,421)	(11,191)
Loan interest unwinding	26	1,263	601
Interest and bank commission expense	26	<u>74,553</u>	<u>76,043</u>
Cash flows from operations before working capital changes		188,774	250,762
Changes in working capital:			
Decrease/ (increase) in inventories	10	399	(82,581)
Decrease /(increase) in trade and other receivables	11	4,875	(223,505)
Increase in trade and other payables	18	<u>33,102</u>	<u>92,926</u>
Cash from operating activities		227,150	37,602
Income tax (paid)		<u>(19,531)</u>	<u>(14,829)</u>
Net cash from operating activities		207,619	22,773
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	323
Acquisition of subsidiary, consideration paid		-	(55,617)
Advances granted for PPE acquisition		-	-
Purchases of property, plant and equipment		(40,300)	(13,371)
Business combination, net of cash acquired		<u>-</u>	<u>1,440</u>
Net cash used in investing activities		<u>(40,300)</u>	<u>(67,225)</u>

The notes on pages 16 to 88 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
Cash flows from financing activities			
Interest and other finance costs paid		(69,745)	(61,874)
Proceeds from loans and borrowings		150,709	264,555
Repayments of loans and borrowings		(255,228)	(193,640)
Proceeds from tap bond issued 8.45%2027	16	-	52,172
Repayment of bond 12%2024		-	-
Transactions costs related to tap bond issued		-	(1,612)
Payments of lease liabilities	4.17	<u>(1,254)</u>	<u>(1,274)</u>
Net cash (used in)/from financing activities		<u>(175,518)</u>	<u>58,327</u>
Net (decrease)/ increase in cash and cash equivalents			
		(8,199)	13,875
Effect of exchange rate fluctuations on cash movements		(2,904)	(2,282)
Cash and cash equivalents as at 1 July 2023/2022		<u>78,860</u>	<u>67,267</u>
Cash and cash equivalents as at 30 June 2023	13	<u><u>67,757</u></u>	<u><u>78,860</u></u>

The notes on pages 16 to 88 are an integral part of these consolidated financial statements.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION

Aragvi Holding International Ltd (“the Company”) is domiciled in the Republic of Cyprus with a juridical address Aphrodites 25, Room 204, P.C.1666, Nicosia, Cyprus. The Company Aragvi Holding International Ltd was incorporated in the Republic of Cyprus on 21 June 2012 as a limited liability Company under registration number HE 308295. Its registered office is at Menandrou, 4 Gala Tower, 2nd floor, 1066, Nicosia, Cyprus.

The Company acquired its subsidiaries through a business combination and common control transaction. The consideration held by the shareholder of the Company in the subsidiaries of the Group was subscribed as contribution in kind to the share capital of the Company upon its incorporation.

The consolidated financial statements of the Group as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together refer to as a ‘Group’ and individually as ‘Group entities’) and special purpose entities.

The Group’s principal activities are oilseeds processing, grains and origination, marketing and transshipment and freight services.

The Group’s financial year is from 1 July to 30 June. This set of consolidated financial statements has been prepared for the year ended 30 June 2023.

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

As of 30 June 2023, the primary subsidiaries of the Group and principal activities of the Subsidiaries consolidated by the Company were as follows:

Entity	Principal Activity	Country of in corporation	Shareholding, %
Visions Holding SA	Holding company	Switzerland	100.00
Stareverest Trading & Investment Limited	Holding company	Cyprus	100.00
Trezeme Limited	Holding company	Cyprus	100.00
Amableus Limited	Holding company	Cyprus	100.00
ICS Kelley Grains Corporation SRL	Holding company	Moldova	100.00
Danube Oil Company SRL	Oils seeds crushing plant	Moldova	100.00
IM Trans Oil Refinery SRL	Oils seeds crushing plant	Moldova	100.00
Floarea Soarelui SA	Oils seeds crushing plant	Moldova	84.66
SC Trans Cargo Terminal SRL	Free trade zone resident. Port grain elevator. Provision of grain and oilseed forwarding services.	Moldova	100.00
ICS Trans Bulk Logistics SRL	Free trade zone resident. Port grain elevator. Provision of grain and oilseed forwarding services.	Moldova	100.00
ICS FFA Trans Oil Ltd SRL	Wholesale grains trading company	Moldova	100.00
TOI Commodities SA	Wholesale grains trading company	Switzerland	100.00
Elevator Kelley Grains SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	89.77
Combinatul de Cereale Aur Alb SA	Grain elevator. Flour meal. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	63.52
Combinatul de Produse Cereale Prut SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	85.79
Elevatorul Iargara SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	89.73
ICS Flograin Group SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
ICS Anengrain - Group SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
ICS Unco-Cereale SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
IM Prut SA	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	61.93
Molgranum SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00

ARAGVI HOLDING INTERNATIONAL LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
(All amounts are in thousands U.S. dollars (USD), unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

Entity	Principal Activity	Country of in corporation	Shareholding, %
SC Floarea-Soarelui Comert SRL	Dealership of bottled oil	Moldova	100.00
Reniyskiy Elevator ALC	Free trade zone resident. Port grain elevator. Provision of grain forwarding services.	Ukraine	94.77
Reni-Line LLC	Free trade zone resident. Port grain elevator. Provision of grain forwarding services.	Ukraine	66.70
ICS Uleinord SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
Agrofloris-Nord SRL	Grain elevator. Provision of grain and oilseed cleaning, drying and storage services.	Moldova	100.00
SC Ceba Grup SRL	Special purpose entity. Wholesale grains trading company.	Moldova	100.00
Agrotest-Lab SRL	Provision of laboratory services.	Moldova	100.00
Aragvi Finance International DAC	Special purpose entity. Issuer of the bonds.	Ireland	100.00
Trans-Oil Commodities SRL	Special purpose entity. Wholesale grains trading company.	Moldova	100.00
Global Grain International SRL	Special purpose entity and holding company. Wholesale grains trading company.	Romania	100.00
HeliosAgri International SA	Oils seeds crushing plant.	Romania	100.00
Victoria Oil d.o.o.	Oils seeds crushing plant.	Serbia	100.00
Balkan Commodities International d.o.o.	Special purpose entity and holding company. Wholesale grains trading company.	Serbia	100.00
Luka-Bačka Palanka d.o.o.	Port grain elevator. Provision of grain forwarding services.	Serbia	100.00
Žito-Bačka Kula d.o.o.	Complex of silo assets.	Serbia	100.00
Granexport d.o.o.	Port grain elevator. Provision of grain forwarding services	Serbia	100.00
TOI Commodities Middle East DWC LLC	Whole sale grains trading company	United Arab Emirates	100.00
TOI Shipping Limited	Shipping company	Marshall Islands	100.00

Seasonality of operations

Generally, the Group is not exposed to significant seasonality factors. The first quarter is usually driven by origination and infrastructure segments that reflect higher volumes in the several months after commencement of the harvesting campaign (July – for early grains and September for crops harvested in autumn).

The fourth quarter of the financial year has seasonally lower sales, which corresponds to the end of the crushing season, lower production levels and liquidating trade finance lines. Also, origination segment experiences decreasing volumes due to lower level of available commodities on Group's main origination markets.

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2 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting as provided to the chief operating decision makers in order to allocate resources to the segment and to assess its performance. The information is obtained from the directors of each subsidiary entity and reviewed by the chief operating decision makers. Segments in the consolidated financial statements are defined in accordance with the type of activity, products sold or services provided.

The Group presents its segment results within three business segments: Origination and Marketing, Crushing and Refining, and Infrastructure. The reason behind this aggregation is to align representation with the management decision making, as business processes within all business segments are not separate and decisions are mostly made to account for the combined effect on several segments.

In Origination and Marketing, the Group reports its operations of buying and selling Grains & Oilseeds, produced oil and meal.

In Crushing and Refining segment, the Group reports the financial results of its 5 crushing plants:

- Floarea Soarelui SA, the biggest crushing plant located in Balti, Republic of Moldova, with crush capacity of 1'200 metric tons of sunflower seeds per day. It also has refining and bottling capacities.
- Trans Oil Refinery SRL, the smaller crushing plant located in Ceadir-Lunga, Republic of Moldova, with crush capacity of 400 metric tons of sunflower seeds per day.
- HeliosAgri International SA, a crushing plant located in Tindarei, Slobozia, Romania, with crush capacity of 650 metric tons of sunflower seeds per day. It also has refining and bottling capacities.
- Victoria Oil DOO, located in Sid, Serbia, has a technologically advanced plant for bottling and packaging edible oil with a bottling capacity of 300,000 litres per day and a crushing capacity of 1,200 tonnes of sunflower seeds per day.
- Danube Oil Company SRL, new crushing facility in Giurgiulesti port, Republic of Moldova, with a capacity of 700 MT of sunflower seeds per day.

In Infrastructure & Other segment, the Group reports its forwarding operations through its port facilities and its 175 railcars, storage facilities and its own fleet of two dry cargo river barges, one river oil tanker and a handy-max dry cargo motor vessel.

The main port facilities are:

- Trans Cargo Terminal SRL, grain terminal located in Giurgiulesti village, Cahul county, Republic of Moldova, with a transshipment capacity of 1.4 million tons per year;
- Trans Bulk Logistic SRL, oil terminal located in Giurgiulesti village, Cahul county, Republic of Moldova, with a transshipment capacity of 0.2 million tons per year;
- Reni Line LTD and Reni Elevator LTD, grain terminal located in Reni, Ukraine, with a transshipment capacity of 0.52 million and 0.28 million tons per year;
- Luka-Bačka Palanka d.o.o and Granexport d.o.o., located in Bačka Palanka and Pančevo, Serbia, with a transshipment capacity between 1.2 – 1.5 million tons per year;

TOI Shipping Limited provides freight services of soft commodities traded by the Group, owning a fleet of two dry cargo river barges, one river oil tanker and a handy-max dry cargo motor vessel.

The measurement of profit and loss, assets and liabilities is based on the Group's accounting policies, which are in compliance with IFRS, as adopted by the European Union.

The segment data is calculated as follows:

- Intersegment sales reflect intergroup transactions effected on an arm's length basis.
- Capital expenditure, amortization and depreciation related to property, plant and equipment and intangible assets are allocated to segments when possible.

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2 OPERATING SEGMENTS (CONTINUED)

Key data by operating segment for the year ended 30 June 2023:

	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Revenue (external)	1,529,735	558,039	64,210	2,151,984
Intersegment sales	-	-	(17,646)	(17,646)
Total revenue	1,529,735	558,039	46,564	2,134,338
Cost of sales	1,270,995	449,061	54,690	1,774,746
Gross profit	258,740	108,978	(8,126)	359,592
Other income	10,410	-	-	10,410
Selling and distribution costs	(161,249)	(31,599)	17,646	(175,202)
General and administrative expenses	(11,586)	(11,784)	(2,431)	(25,801)
Other losses – net	(5,021)	-	(4,284)	(9,305)
Net finance costs	(49,600)	(18,257)	-	(67,857)
Income tax expense	(13,616)	(4,822)	-	(18,438)
Net profit for the year	28,078	42,516	2,805	73,399
Total assets	977,496	398,522	181,947	1,557,965
Capital expenditure	5,148	16,479	18,673	40,300
Amortization and depreciation	7,504	6,315	6,506	20,325
Liabilities	744,676	119,764	57,192	921,632

During the year ended 30 June 2023, revenues of approximately USD 116,127 thousand are derived from a single external customer. These revenues are attributed to Origination and Marketing and Crushing and Refinery segments. Also, during that period, export sales amounted to 87% of total external sales.

For the year ended 30 June 2023, revenue from the Group's top five customers accounted for approximately 21.9 % of total revenue.

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2 OPERATING SEGMENTS (CONTINUED)

Key data by operating segment for the year ended 30 June 2022:

	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Revenue (external)	1,977,832	659,228	46,834	2,683,894
Intersegment sales	-	-	(8,669)	(8,669)
Total revenue	1,977,832	659,228	38,165	2,675,225
Cost of sales	1,606,305	544,457	39,372	2,190,134
Gross profit / (loss)	371,527	114,771	(1,207)	485,091
Other income	16,657	-	-	16,657
Selling and distribution costs	(216,940)	(31,560)	8,669	(239,830)
General and administrative expenses	(11,773)	(9,373)	(1,607)	(22,753)
Other losses – net	(3,832)	-	(3,106)	(6,939)
Net finance costs	(49,155)	(16,297)	-	(65,453)
Income tax expense	(15,304)	(3,136)	-	(18,439)
Net profit for the year	91,180	54,405	2,749	148,334
Total assets	913,458	403,048	115,890	1,432,396
Capital expenditure	520	12,850	3,586	16,956
Amortization and depreciation	4,872	5,211	7,006	17,089
Liabilities	7242,723	144,986	41,393	909,103

During the year ended 30 June 2022, revenues of approximately USD 303,550 thousand are derived from a single external customer. These revenues are attributed to Origination and Marketing and Crushing and Refinery segments. Also, during that period, export sales amounted to 93 % of total external sales.

For the year ended 30 June 2022, revenue from the Group's top five customers accounted for approximately 36.3 % of total revenue.

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2 OPERATING SEGMENTS (CONTINUED)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

For the year ended 30 June 2022	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Primary geographical markets				
European Union	268,457	359,951	-	628,408
Turkey	304,697	31,206	-	335,903
Middle East and North Africa (MENA)	1,212,367	129,522	-	1,341,889
Asia	47,315	-	-	47,315
Republic of Moldova	2,244	25,027	11,418	38,689
Other countries	77,671	205,350	-	283,021
	1,912,751	751,056	11,418	2,675,225
Major products				
Grains and seeds	1,695,321	-	-	1,695,321
Vegetable oil	67,654	440,377	-	508,031
Oil meal	123,030	162,105	-	285,135
Packed vegetable oil	-	148,574	-	148,574
Port, Storage, Cleaning and Drying Services	-	-	7,857	7,857
Other products	26,746	-	3,561	30,307
	1,912,751	751,056	11,418	2,675,225
Timing of revenue recognition				
Products transferred at a point in time	1,912,751	751,056	3,561	2,667,368
Services transferred over a period of time	-	-	7,857	7,857
	1,912,751	751,056	11,418	2,675,225
Total revenue				

As of 30 June 2022, 60 % of Group's non-current assets are located in the Republic of Moldova, 29% in Serbia, 7% in Ukraine and 4% in Romania.

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2 OPERATING SEGMENTS (CONTINUED)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

For the period ended 30 June 2023	Origination and Marketing	Crushing and Refining	Infrastructure and Other	Total
Primary geographical markets				
European Union	282,544	258,241	1,416	542,201
Turkey	199,241	13,407	-	212,648
Middle East and North Africa (MENA)	675,430	66,825	-	742,255
Asia	322,340	64,307	-	386,647
Republic of Moldova	2,706	10,360	6,252	19,318
Other countries	47,474	144,899	38,896	231,269
	1,529,735	558,039	46,564	2,134,338
Major products				
Grains and seeds	1,124,172	-	-	1,124,171
Vegetable oil	309,411	344,834	-	654,245
Oil meal	96,152	116,795	-	212,947
Packed vegetable oil	-	96,410	-	96,410
Port, Storage, Cleaning and Drying Services	-	-	9,115	9,115
Other products	-	-	37,449	37,449
	1,529,735	558,039	46,564	2,134,338
Timing of revenue recognition				
Products transferred at a point in time	1,529,735	558,039	37,449	2,125,223
Services transferred over a period of time	-	-	9,115	9,115
Total revenue	1,529,735	558,039	46,564	2,134,338

As of 30 June 2023, 56 % of the Group's non-current assets are located in the Republic of Moldova, 27% in Serbia, 7% in Ukraine and 10% in Romania.

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3 NUMBER OF EMPLOYEES

At 30 June 2023 the Group's average number of employees was 2,748 employees (30 June 2022: 2,770).

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods disclosed in these consolidated financial statements unless otherwise stated. These consolidated financial statements were prepared for the year ended 30 June 2023. The consolidated financial statements have been prepared on the historical cost basis except for the property, plant and equipment, inventories, forward contracts and derivative instruments which are measured at fair value.

4.1 Basis of preparation

Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Local statutory accounting principles and procedures may differ from those generally accepted under IFRS. Accordingly, the consolidated financial statements are based on Statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRSs.

Profit and Loss and cash flow statements

The Group presents the statement of profit and loss and other comprehensive income by function of expenses.

The Group reports cash flow from operating activities using the indirect method. Cash flow from investing and financing activities are determined using the direct method.

The profit and loss and the cash flow statements are presented for the period from 1 July 2022 to 30 June 2023.

Adoption of new and revised IFRSs

The Group has adopted all changes to IFRSs as adopted by the European Union ("EU") which are relevant to its operations that became effective for annual periods beginning on or after 1 July 2022.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by International Accounting Standards Board ("IASB") but are not yet effective for annual periods beginning on 1 July 2022. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of preparation (continued)

Adoption of new and revised IFRSs (continued)

(i) IFRSs, Amendments to IFRSs and Interpretations not adopted by the EU

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. (effective for annual periods on or after 1 January 2025).
- IAS 7 Statement of Cash Flows (Amendments) and IFRS 7 Financial Instruments: Disclosures (Amendments) – Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)
- IAS 1 Presentation of Financial Statements (Amendments): Classification of Liabilities as Current and non-current with covenants (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)
- IFRS 10 Consolidated Financial Statements (Amendments) and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely; early adoption continues to be permitted)

For other standards and interpretations, management anticipates that their adoption will not have a material effect on the consolidated financial statements of the Group in future periods.

5.2 Functional and presentation currency

The Parent and its subsidiaries maintain their accounting records in local and functional currencies and in accordance with the accounting and reporting regulations of the countries of incorporation.

These consolidated financial statements are presented in US Dollar (in thousands), which is the Company's functional currency. All amounts have been rounded to the nearest thousand.

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Other currencies in which entities operate are Moldovan Lei (MDL), Swiss Franc (CHF), Euro (EUR), Ukrainian Hryvnia (UAH), Romanian Lei (RON), Serbian dinar (RSD), Emirati dirham (UAE) which are considered as foreign currencies.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Functional and presentation currency (continued)

Transactions in currencies other than the functional currencies of the Group companies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Subsequently, monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The exchange rates used in the preparation of the consolidated financial statements were the official exchange rates as quoted by the National Bank of Moldova and are as follows: USD 1 = 18.2774 MDL (30 June 2022: 19.1216) and Euro ("EUR"), EUR 1 = 19.9690 MDL (30 June 2022: 20.1130), USD 1 = 0.9153 EUR (30 June 2022: 0.9507); USD 1 = 0.8957 CHF (30 June 2022: 0.9510), EUR 1 = 0.9787 CHF (30 June 2022: 1.0003), RON 1 = 0.22 USD (30 June 2022: 0.2128); RSD 100 = 0.932 USD (30 June 2022: 0.8958); AED 1=0.2723 USD (30 June 2022: 0.2723).

4.3 Going concern

These consolidated financial statements have been prepared based on the going concern principle, which assumes that the Group will continue to operate in the foreseeable future and realise its assets and dispense its liabilities in the normal course of business. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows and management's ability to perform the forecasts. The management believes that the Group will be able to continue to operate as a going concern in the foreseeable future and, therefore, this principle should be applied in the preparation of these financial statements. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing return to shareholders through a combination of debt and equity capital. Management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and risks associated with each class of capital. Based on recommendations from the management, the Group balances its overall capital structure through the issue of new debt or the redemption of existing debt.

4.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of Aragvi Holding International Limited and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies.

Intra group balances, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing consolidated financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Control is achieved where the parent company has the power to govern the financial and operating policies of an investee enterprise, either directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal.

Non-controlling interests at the date of the statement of the financial position represent the non-controlling equity holders' portion of the fair values of the identifiable assets and liabilities of the subsidiary at the acquisition date and the non-controlling equity holders' portion of movements in equity since the date of the acquisition. Total comprehensive income of subsidiaries is attributed to the equity holders of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Basis of consolidation (continued)

Special purpose entities are consolidated based on the assessment that the Group has control and consequently the special purpose entity conducts its activities to meet the Group's specific needs, the Group has decision making powers, the Group has the right to the entities benefits and the Group is exposed to the entities business risks.

The Group controls several entities that are not consolidated within these financial statements. The main reason is immateriality of these entities for these financial statements.

The following entities are not consolidated:

Entity	Principal Activity	Country of incorporation	Shareholding, %
Seagull Operations International BV	Holding company	The Netherlands	100.00
TD Mediana LTD	Holding company	Ukraine	100.00
PVD Trade LTD	Holding company	Ukraine	100.00
Intreprinderea de Transport Nr 7 SA OR BALTI	Dormant company	Republic of Moldova	86.49
Boebs-Agro SRL	Dormant company	Republic of Moldova	90.00
OVMK Holding Limited	Holding company	Cyprus	100.00
Nelway Limited	Dormant company	Cyprus	100.00

4.5 Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

In the case that identifiable net assets attributable to the Group, after reassessment, exceed the cost of acquisition, the difference is recognised in profit and loss as a gain on bargain purchase.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

4.5 Business Combinations (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the Subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in Subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Holding.

4.6 Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of fair value of consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.7 Property, plant and equipment

Property, plant and equipment are carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit and loss.

The amounts included in the revaluation reserve are transferred to retained earnings when the related assets are disposed of.

Construction in progress is carried at cost less provision for any impairment in value. Upon completion, assets are transferred to property, plant and equipment at their carrying value. Construction in progress is not depreciated until the asset is available for use.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.7 Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of the property, plant and equipment for current and comparative periods are as follows:

<u>Type</u>	<u>Years</u>
Buildings and construction	3 - 80
Plant, machinery and equipment	1 - 35
Vessels and barges	5 - 20
Agricultural vehicles and equipment	3 - 10
Other fixed assets and assets used in non-core activities	3 - 4

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted appropriately.

When an item of property, plant and equipment is re-valued, any accumulated depreciation is reversed so that the carrying amount of the asset after revaluation equals its re-valued amount.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are depreciated over the remaining useful life of the related asset.

Buildings and constructions, production machinery and equipment are accounted for at revalued amounts, being the fair value. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All items of Property, Plant and Equipment are carried at fair value, except vessels and barges, which are carried out at cost however, their cost is a close approximation of fair value. At the reporting date, vessels and barges are recorded at their cost less accumulated depreciation. Vessel cost comprises acquisition costs directly attributable to the vessel and the expenditures made to prepare the vessel for its initial voyage. Vessels are depreciated on a straight-line basis over their estimated useful economic life. Depreciation is based on cost less estimated residual scrap value.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.7 Property, plant and equipment (continued)

The fair value was defined as the amount for which an asset could have been exchanged between knowledgeable willing parties in an arm's length transaction. The fair value of marketable assets was determined at their market value. If there is no market-based evidence of fair value because of the specialised nature of the item of property, plant and equipment and the item is rarely sold, except as part of a continuing business, an income approach was used to estimate the fair value. Property, plant and equipment acquired in a business combination are initially recognised at their fair value which is based on valuations performed by independent professionally qualified appraisers.

Capitalised costs include major expenditures for improvements and replacements that extend the useful lives of assets or increase their revenue generating capacity. Repairs and maintenance expenditures that do not meet the foregoing criteria for capitalisation are charged to the income statement as incurred.

If the asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to other comprehensive income or loss. However, such increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, such decrease is debited directly to other comprehensive income or loss to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on revalued assets is charged to the profit or loss. On the subsequent sale or retirement of revalued assets, the revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Property, plant and equipment are depreciated over the estimated useful economic lives of assets under the straight-line method.

Impairment

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is determined as the higher of the asset's net selling price and value in use. The value in use of the assets is estimated based on the forecast future cash inflows and outflows to be derived from continuing use of the assets and from the estimated net proceeds on disposal, discounted to present value using an appropriate discount rate.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Property, plant and equipment (continued)

Land and buildings under development

The cost of land and buildings under development and completed buildings for sale comprise the cost of acquiring the land and the development costs of the buildings. The development cost of the buildings includes raw materials, direct labour cost, depreciation of plant and equipment and other indirect costs of construction. The land for development is carried at fair value and is included in land and buildings under development at the reporting date.

4.8 Intangible assets

Trademarks

Intangible assets acquired separately from a business are capitalised at initial cost. The 'Floris', 'Mister Cook' and 'Aroma Soarelui', 'Iskon' trademarks have indefinite useful life and thus are not amortised but are tested for impairment by comparing their recoverable amount with their carrying amount annually and whenever there is an indication that the trademarks may be impaired.

Other intangible assets

Expenditure on acquired software, know-how and licenses is capitalised and amortised using the straight-line method over their expected useful lives. The estimated useful lives assigned to intangible assets do not exceed 5 years. Costs associated with maintenance of computer software are recognised as an expense as incurred.

4.9 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive income (FVOCI) - debt investment; Fair Value through Other Comprehensive income (FVOCI) - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.10 Financial instruments (continued)

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and cash in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings (including Bonds)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets - impairment - credit loss allowance for ECL

From 1 July 2018, the Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.9 Financial instruments (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL.

For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5.1, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and advances given from initial recognition. It will estimate credit losses using a provision matrix where trade receivables and advances granted are grouped based on credit risk characteristics and the days past due.

According to the ageing management allocated the receivables to the following categories:

- overdue up to 30 days
- overdue 30-90 days
- overdue 91-180 days
- overdue 181-360 days
- overdue 360+ days

The management considered the last three years in determining past performance profile. The loss rates are calculated as the proportion of the receivables that are past due more than 360 days to the rest of the categories. Subsequently the ECL is calculated by allocating the loss rates, calculated on past performance and adjusted for forward looking estimates, to each of the above ageing categories as of each reporting date.

For trade receivables, unusual or increasingly delayed payments, increase in average credit period taken or known financial difficulties of a customer, in addition to observable changes in national or local economic conditions in the country of the customer, are considered indicators that the trade receivable balance may be impaired. The carrying amount of the asset is reduced through the use of a loss allowance account and the amount of the loss is recognized in the Consolidated Profit or Loss. When a trade receivable is uncollectable, it is written off against the loss allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to 'other external charges' in the Consolidated Profit or Loss.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (continued)

Write off:

Trade receivables are written off when there is no reasonable expectation of recovery.

Financial guarantee contracts

Financial guarantee contracts are contracts that require a Group company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor – another Group company might fail to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, and financial institutions to secure loans, overdrafts and other banking facilities. The Group does not issue financial guarantees for the benefit of third parties.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee in other income in profit or loss.

At the end of each reporting period, the guarantee is subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

4.10 Derivative financial instruments

Forward contracts

Forward contracts, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when the Group becomes a party to the contractual provisions of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotation or using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility underlying instrument and counterparty risk.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Derivative financial instruments

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. Hedging activities do not significantly affect or are expected to affect the amount, timing and certainty of its future cash flows, nor on the Group's statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity.

4.11 Inventories

Inventories held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the income statement. Cost is determined on weighted average method and comprises direct purchase costs, cost of production, transportation and overhead expenses. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

Management considers this valuation method enhances the understanding of users of these consolidated financial statements.

Other inventories are valued at the lower of cost or net realisable value. Cost is determined using the weighted average method and comprises purchase value, labour costs, transportation services and drying, cleaning and processing services, where needed.

Financing and storage costs related to inventory are expensed as incurred.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

4.12 Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the consolidated statement of financial position date.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Shareholders' equity

a) Share capital

Ordinary shares are classified as equity.

b) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

4.14 Revenue

Recognition and measurement

Revenue is derived principally from the sale of goods, finished products and rendering services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. . resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and of comprehensive income in the period in which the circumstances that give rise to the revision become known to management.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Revenue (continued)

The Group's revenue is recognized at the moment when the transfer of the significant risks and rewards of ownership of an asset to the customer occur; in general this moment coincides with the fulfilment of performance obligations as defined by standard.

IFRS 15 requires allocation of the transaction price to each performance obligation (or distinct good or service) such as freight, insurance, storage, dispatch and other services to deliver the contracted goods to the customers. Under the definite contractual sales the seller should bring the goods to the point of destination therefore the freight and other services meet the criteria of a performance obligation separation from the transaction price.

The Group regularly engages third-party service providers (subcontractors) to provide freight and other services to its customers. When the Group obtains a contract from a customer, the Group enters into a contract with one of those service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

The Group's revenue is recognized at the moment when the transfer of the significant risks and rewards of ownership of an asset to the customer occur; in general, this moment coincides with the fulfilment of performance obligations as defined by standard.

IFRS 15 requires allocation of the transaction price to each performance obligation (or distinct good or service) such as freight, insurance, storage, dispatch and other services to deliver the contracted goods to the customers. Under the definite contractual sales, the seller should bring the goods to the point of destination therefore the freight and other services meet the criteria of a performance obligation separation from the transaction price.

The Group regularly engages third-party service providers (subcontractors) to provide freight and other services to its customers. When the Group obtains a contract from a customer, the Group enters into a contract with one of those service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

4.14 Revenue (continued)

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

The Group recognized its performance obligation as satisfied once the services have been rendered and the ownership right over goods, according to INCOTERMS 2020, passed to the customer. The entire revenue recognized over time is considered as from performance obligations satisfied. This is mainly from the short-term nature of service rendered to the Group 's customers, that makes the performance obligation short-lived by nature.

No bill and hold arrangement have been registered for the year ended 30 June 2023.

Sale of goods

The point of revenue recognition for sale commodity goods is dependent upon contract sales terms (Incoterms). A receivable is recognized by the Group when the control over goods is transferred to the buyer as this represents the point of time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Timing of billing is generally close to the timing of performance obligation satisfaction, respectively, amount of contract assets and contract liabilities is not material. When the Group obtains a contract from a customer, the Group enters into a contract with one of those service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay. Also, the Group is responsible for inventory risk during the freight service provision, which in turn, is covered by an insurance policy.

Rendering of services

Revenue is recognized over the period of time as the service is rendered. The main type of services provided by the Group are transshipment services by terminals and crop cleaning, drying and storage services by the Group's silos. Revenue from transshipment services is recognized using input methods based on a time-and-materials basis as the services are provided. Revenue from grain cleaning, drying and storage services is recognized on an accrual basis, based on the fees for the specific service, volumes of crops under service and days of storage. Invoices are generated shortly after the end of the month for which the services have been rendered. Invoices are usually payable within 15 days.

Rental income

Rental income is recognised on an accruals' basis in accordance with the substance of the relevant agreements.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Revenue (continued)

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Financing component

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

Contract assets and contract liabilities

In case the services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Group recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Costs to obtain or fulfil contracts with customers

The Group recognizes the incremental costs incurred by the Group to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable, and recorded in the "Other assets" in the consolidated statement of financial position. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in consolidated statement of profit or loss and other comprehensive income. Additionally, the asset is assessed for impairment and any impairment loss is recognized in "cost of sales" in consolidated statement of profit or loss and other comprehensive income. The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted in Republic of Moldova, Ukraine, Swiss Confederation, Romania, Serbia, United Arab Emirates and Republic of Cyprus. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts projected to be paid to the tax authorities.

Deferred income tax is calculated using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation to be made.

4.17 Leases

The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Leases (continued)

As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" line and lease liabilities in "Lease liabilities" line of statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Leases (continued)

Financial impact of application of IFRS 16

The Group has several non-cancellable lease agreements in Giurgiulesti Free Economic Zone, where the Group's port facilities are located. Based on the Group's assessment these arrangements meet the definition of a lease under IFRS 16, and thus, the Group recognises a right-of-use asset and a corresponding liability in respect of leases unless they qualify for low value or short-term leases upon the application of IFRS 16.

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current period.

"Property, plant and equipment" comprise owned and leased assets that do not meet the definition of investment property:

	Note	30 June 2023
Property, plant and equipment owned	7	456,374
Right-of-use assets		<u>10,985</u>
		<u>467,359</u>

Right-of-use assets

The Group's right-of-use assets include land, port maritime infrastructure and vehicles. Information about leases for which the Group is a lessee is presented below:

	<u>Land</u>	<u>Port infrastructure</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Balance at 1 July 2022	4,839	6,088	515	717	12,159
Additions	-	-	-	405	405
Transferred to owned Property, plant and equipment	-	-	(342)	(252)	(594)
Depreciation charge for the period	<u>(420)</u>	<u>(417)</u>	<u>(15)</u>	<u>(133)</u>	<u>(985)</u>
Balance at 30 June 2023	<u>4,419</u>	<u>5,671</u>	<u>158</u>	<u>737</u>	<u>10,985</u>

	<u>30 June 2023</u>	<u>30 June 2022</u>
Amounts recognized in profit or loss		
Interest on lease liabilities	1,231	1,271
Depreciation charge on right-of-use assets	985	1,091
Expenses relating to short-term leases	355	325
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	2,504	2,401

	<u>30 June 2023</u>	<u>30 June 2022</u>
Amounts recognized in the statement of cash flows		
Total cash outflow for leases	2,515	2,890

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Pension costs and employee benefits

The Group, in the normal course of business, makes payments to the governments on behalf of its employees. There are no any other pension benefits except of mandatory employer’s contributions levied to the governments.

Retirement and other benefit obligations

Social security contributions are payable in the form of mandatory insurance contributions to the Social Security Fund and Health Insurance Fund for each employee (personified contributions), as well as via contributions for mandatory social insurance against occupational accidents and diseases.

Insurance contributions are payable on remuneration and other payments to individuals under employment and civil contracts.

Retirement and other benefit obligations (continued)

For 2023, personified contributions are payable at the rates provided in the table below subject to an annual remuneration threshold established for contributions to the Social Security Fund. The threshold is subject to annual revision by local authorities.

Income subject to social contributions		Social Security	Health Insurance
Up to remuneration, Republic of Moldova		18%	4,5%
Up to remuneration, Serbia		11%	5,15%
Up to remuneration, Switzerland		12%	2,65%
Up to remuneration, Romania		25%	10%

4.19 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but is disclosed when an inflow of economic benefits is probable.

4.20 Subsequent events

Post period end events that provide additional information about the Group’s position at the reporting date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the accompanying financial statements. Post period end events that are not adjusting events are disclosed in the notes when material.

4.21 Related parties

Parties are considered related when one party either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, or significantly influence the other party.

4.22 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. During the year ended 30 June 2023, the Group has capitalised borrowing costs in amount of 4.846 thousand USD (2022: 3.085thousand USD), at a capitalisation rate of 9.57% (2022: 7.45%)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.23 Comparatives

Comparative information is disclosed in respect of the previous period for all numerical information in the consolidated financial statements. Comparative information is also included for narrative and descriptive information when is relevant to an understanding of the current period's consolidated financial statements.

Comparative information, where necessary, has been adjusted to change the presentation in the current financial period for a better understanding by the users of these consolidated financial statements.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and compliance risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

a) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, and currency, both of which are exposed to general and specific market movements. Management reviews such risks periodically, with the objective of ascertaining whether they are likely to exceed certain limits. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Moldovan Lei and EURO. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. There is no material risk generated by transactions in Romanian Leu, Ukrainian Hryvna, Swiss Franc, Serbian Dinar and Emirati Dirham.

Management has set up a policy to require Group companies to manage their foreign exchange risk against functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities of the Group use foreign currency (Moldovan Lei and EUR) for sales and purchase contracts.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

- a) Market risk (continued)
- (i) Cash flow interest rate risk

The Group's interest rate risk arises from short-term originated loans, and short-term borrowings from banks and suppliers. The Group's borrowings and loans have been issued mainly at fixed rates and for some borrowings at fixed margin plus 3- or 6-month LIBOR. Fair value of borrowings approximates their carrying value. The Group's significant interest-bearing liabilities are disclosed in Note 15 and 16. The Group has not entered into any hedging arrangements in respect of its interest rate exposures. Interest bearing assets and liabilities, broken down by variable and fixed interest rates are presented below:

	30 June 2023		30 June 2022	
	Variable	Fixed	Variable	Fixed
Assets	-	-	515	-
Liabilities	(208,361)	(488,659)	(266,736)	(486,414)

The Group entered into several derivative financial instruments to manage its exposure to commodity price and foreign exchange risk.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. On the date a derivative contract is entered, the Group designates certain derivatives as a hedge of a commodity price risk of highly probable forecast Cash flow hedge.

Derivatives expected to be settled within a year after the end of the reporting period are classified as current liabilities or current assets. For cash flow hedge gains and losses, the effective portion of changes in the fair value of derivatives is recognized in the cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge and recycled to profit or loss as the hedged transaction occurs. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Ineffectiveness is recognized on hedges where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise if the timing of the transaction changes from what was originally estimated, or other differences arise between the designated hedged risk and hedging instrument.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

a) Market risk (continued)

(ii) *Cash flow interest rate risk (continued)*

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

The risk management objective is to hedge commodity price risk exposure arising from the changes mainly in sunflower seeds, corn, soybean and soybean meal market price. In order to comply with its risk management strategy, the Group enters into commodity sales agreements with counterparties matching the highly probable forecasted sale quantity per time bucket in the end destination to hedge the identified commodity price exposure for its future sales at end destination. There is an economic relationship between the hedged items and the hedging instruments as the designated hedged item's and hedging instruments' quantities and timing of the cash flows is matching and there is high correlation in movement of prices for hedged item and hedging instrument.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

During the year ended 30 June 2023, the Group started applying cash flow hedge accounting for its forecasted sunflower seeds, corn, soybean and soybean meal highly probable sales at end destination and designated sunflower seeds, corn, soybean and soybean meal derivative contracts as hedging instruments in cash flow hedge relationship, hedging the sunflower seeds, corn, soybean and soybean meal commodity price risk for the future cash flows. For the year ended 30 June 2023, the gain resulted from change in fair value of hedging instruments under cash flow hedge accounting was nil. The fair value of expired commodity price contract is recorded in Cost of sales when the hedged item is recorded in Revenue.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro (EUR). The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group's exposure to foreign currency risk was as follows:

30 June 2023

In thousands of US Dollars

EUR
€

Assets

Trade and other receivables	229,720
Cash and cash equivalents	<u>2,490</u>
	<u>232,210</u>

Liabilities

Trade and other payables	(40,707)
Borrowings	<u>(141,274)</u>
	<u>(181,981)</u>
Net exposure	<u>(50,229)</u>

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against USD at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect	Profit before tax	
	Strengthening	Weakening
EUR (10% movement)	(5,023)	5,023

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

c) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions.

Cash and cash equivalents are placed with a limited number of financial institutions. However, risk of loss is remote because the Group has a policy of only using large, creditworthy financial institutions.

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables and advances given. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The carrying amount of accounts receivable, net of allowance for doubtful accounts receivables, represents the maximum amount exposed to credit risk. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provisions already recorded.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Group's trade receivables.

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

c) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of US Dollars	30 June 2023	30 June 2022
Trade and other receivables	375,540	380,415
Cash and cash equivalents	<u>67,757</u>	<u>78,860</u>
	<u>443,297</u>	<u>459,275</u>

Impairment losses on financial assets and contract assets recognized in profit or loss were related to impairment losses on trade and other receivables.

Trade receivables

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognized because of collateral.

The Group uses an allowance matrix to estimate lifetime ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - sales channel, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2023:

In thousands of US Dollars	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
1-30 days due	0.23%	329,161	(779)	Yes
30-90 days due	9.62%	35,983	(3,426)	Yes
91-180 days due	20.85%	15,837	(3,302)	Yes
181-360 days due	56.72%	4,856	(2,754)	Yes
More than 360 days due	100.00%	<u>5,451</u>	<u>(5,451)</u>	Yes
		<u>391,288</u>	<u>(15,712)</u>	

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (continued)

Trade receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 30 June 2022:

	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
In thousands of US Dollars				
1-30 days due	0.27%	341,682	(925)	Yes
30-90 days due	10.99%	30,457	(3,347)	Yes
91-180 days due	25.5%	12,857	(3,278)	Yes
181-360 days due	53.42%	4,872	(2,603)	Yes
More than 360 days due	100.00%	<u>4,476</u>	<u>(4,476)</u>	Yes
		<u>394,344</u>	<u>(14,629)</u>	

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's finance liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	Over 1 year	Total
30 June 2023					
Trade and other payables	66,662	29,901	7,961	1,717	106,241
Bonds issued	-	-	-	488,659	488,659
Borrowings	7,758	14,626	154,424	78,654	255,462
Lease liabilities	<u>95</u>	<u>178</u>	<u>427</u>	<u>11,893</u>	<u>12,593</u>
Total	<u>74,515</u>	<u>44,705</u>	<u>162,812</u>	<u>580,923</u>	<u>862,955</u>
30 June 2022					
Trade and other payables	48,988	13,540	8,575	2,036	73,139
Bonds issued	-	-	-	485,427	485,427
Borrowings	67,225	36,885	124,659	65,596	294,365
Lease liabilities	<u>94</u>	<u>192</u>	<u>458</u>	<u>12,387</u>	<u>13,131</u>
Total	<u>116,307</u>	<u>50,617</u>	<u>133,692</u>	<u>565,446</u>	<u>866,062</u>

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Capital risk management

e) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the legal department of the Group, as well as by the monitoring controls applied by the Group. The amount of possible contingent penalties to be paid on the transactions identified as non-compliant with legal requirements of the repatriation law of Republic of Moldova are disclosed in Note 31.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and to reduce the cost of capital.

The Shareholders monitor gearing at its level. The Group monitors capital on the basis of the gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the balance sheet) less cash and cash equivalents.

Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing return to shareholders through a combination of debt and equity capital. Management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and risks associated with each class of capital. Based on recommendations from management, the Group balances its overall capital structure through the issue of new debt or the redemption of existing debt.

The Group monitors capital based on the carrying amount of borrowings less cash and cash equivalents as presented in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

The gearing ratio as at 30 June 2023 and 30 June 2022 was as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Total borrowings (Notes 15 and 16)	744,121	779,793
Less: cash and cash equivalents (Note 13)	<u>(67,757)</u>	<u>(78,860)</u>
Net debt	676,364	700,933
Total equity	<u>636,333</u>	<u>529,559</u>
Total capital	<u>1,312,697</u>	<u>1,230,492</u>
Gearing ratio	<u>51,5%</u>	<u>56,9%</u>

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows.

The Company classifies the fair values of its financial instruments into a three-level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can assess at the measurement date; or
- Level 2 Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 Unobservable inputs for the assets or liabilities, requiring the Company to make market-based assumptions.

Level 1 classification primarily includes financial assets and financial liabilities that are exchange traded, whereas Level 2 classifications primarily include financial assets and financial liabilities which derive their fair value primarily from exchange quotes and readily observable quotes. Level 3 classifications primarily include financial assets and financial liabilities which derive their fair value predominately from models that use applicable market-based estimates surrounding location, quality and credit differentials. In circumstances where the Company cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is the Company's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (continued)

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their fair levels in fair value hierarchy:

30-June-23	Note	Carrying amounts		Level 1	Level 2	Level 3
		Fair value - Property plant and equipment, Inventory and Forward contracts, Derivative financial instruments	Other financial liabilities			
Non-financial assets						
Property, plant and equipment	7	467,359	-	-	-	467,359
Total		467,359	-	-	-	467,359
30-June-22						
Non-financial assets						
Property, plant and equipment	7	406,555	-	-	-	406,555
Total		406,555	-	-	-	406,555
30-June-23						
Financial Assets						
Inventories	10	483,611	-	-	483,611	-
Forward Contracts	9	112,425	-	-	112,425	-
Total		596,036	-	-	596,036	-
30-June-22						
Financial Assets						
Inventories	10	484,010	-	-	484,010	-
Forward Contracts	9	31,313	-	-	31,313	-
Total		515,323	-	-	515,323	-

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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (continued)

		Carrying amounts				
30-June-23		Fair value - Property plant and equipment, Inventory and Forward contracts, Derivative financial instruments	Other financial liabilities	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings	15	-	255,462	-	-	255,462
Forward Contracts	9	18,760	-	-	18,760	-
Total		18,760	255,462	-	18,760	255,462
30-June-22						
Financial liabilities						
Borrowings	15	-	294,366	-	-	294,366
Forward Contracts	9	4,530	-	-	4,530	-
Total		4,530	294,366	-	4,530	294,366

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.4 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair value for financial assets and liabilities in statement of financial position, as well the significant unobservable inputs used:

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Inventory & Forward contracts	<u>Market comparison technique</u> : The fair value is determined using observable quoted prices sourced from traded reference indices in active markets for identical commodities, taking into consideration geographic location and local supply and demand.	Quoted prices for commodities	The estimated fair value will increase(decrease) if: -quoted prices for commodities were higher (lower).
Derivative liabilities – Forward exchange contracts	<u>Forward pricing</u> : The fair value is determined using quoted forward exchange rates at the reporting date	Not applicable	Not applicable

6 USE OF ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, assumptions and estimation uncertainties

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 12 – Leases

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 27 – Income taxes
- Note 7 – Property, plant and equipment
- Note 11 – measurement of ECL allowance on trade and other receivables
- Note 31 – Contingencies

6 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The fair value of property, plant and equipment was determined by external registered independent appraiser, having appropriate recognized professional qualifications.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included below and in the notes.

At each balance sheet date, the Group assesses whether the carrying amount of the Group's assets significantly differ from their fair value.

Estimated fair value of property, plant and equipment

At each balance sheet date, the Group assesses whether the carrying amount of the Group's assets significantly differs from their fair value.

As at 30 April 2023, the group performed an external revaluation of its assets. The revaluation was performed in accordance with International Valuation Standards by Winterhill SRL. The value of the assets of the group reached an amount of 467,359 thousand USD.

Valuation of Property, Plant and Equipment has been undertaken using Discounted Cash Flows method, where Group's assets have been assessed as being standalone cash generating units.

Significant assumptions were made relating to projected cash flows, raw materials costs, utilities costs and ROI as described in note 5 of the financial statements.

These assumptions were mainly based on historical data as well as management forecasts on sales, volumes of crushed seeds and other assumptions.

6 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements, assumptions and estimation uncertainties

As at June 2023, for the purposes of an assessment of fair value of property, plant and equipment of the Group, management made the following assumptions and estimates related to new markets:

- Earnings before Interest Tax and Depreciation (EBITDA) for the 12 months periods ending 30 June 2024 until 30 June 2026 are projected not to be lower than, USD 247,848, USD 273,797 and USD 287,955 respectively. In order to sustain the valuation of Property, Plant and Equipment, the Group has to perform according to the EBITDA projections mentioned above. For the year ended 30 June 2023, Group realized an EBITDA of USD 184,478. There is no any impact over the value of Property, Plant and Equipment out of this outperformance.

- EBITDA is defined for any reporting period as profit before income tax (excluding results from discontinued operations) adding back any interest, commission and other finance income or expenses, depreciation or impairment of assets, and eliminating one-off and non-operating gains (losses) included in EBITDA.

- Selling and raw material prices for forecasted period were considered to increase per annum at a correlated rate to increase of selling prices for finished products during subsequent financial periods;

- Net working capital increase considered in line with revenue and selling and general and administrative expenses increase.

b. Tax legislation and income tax

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c. Related party borrowings

In the normal course of business, the Group enters into transactions with its related parties. These transactions are priced predominantly at market rates.

Judgement is applied in determining if borrowings are provided at market or non-market interest rates, where there is no active market for similar transactions.

The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses.

d. Impairment of financial assets

The Group reviews its financial assets for evidence of their recoverability. Such evidence includes the customer's payment record, the customer's overall financial position and any other market information concerning the client which becomes available. If indications of irrecoverability exist, the recoverable amount is estimated and a respective impairment of trade and other receivables is made. The amount of the provision is charged through the consolidated statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly. Where there are litigations in progress, balances are provided accordingly.

6 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements, assumptions and estimation uncertainties (continued)

e. Write down of inventories

The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The amount of write down for obsolete and slow-moving inventory is based on management's past experience, taking into consideration the value of inventory items close to expiry as well as the movement and the level of stock of each category of inventory. The amount of write down is recognized in the consolidated statement of profit or loss and other comprehensive income. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the amount of write down for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

f. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

g. Judgements, assumptions and estimation uncertainties. Impairment of intangible asset

Intangible assets are initially recorded at acquisition cost and are amortized on a straight-line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

h. Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate their present value.

The carrying amount of goodwill at 30 June 2023 amounted to USD 48,688 (30 June 2022: USD 48,688). No impairment loss was recognised for the year ended 30 June 2023 and financial year ended 30 June 2022.

6 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements, assumptions and estimation uncertainties (continued)

i. Useful lives

The Group depreciates its fixed assets and intangible assets over their estimated useful lives which are assessed on an annual basis. The actual lives of these assets can vary depending on a variety of factors. Technological innovation, product life cycles, and maintenance programs all impact the useful lives and residual values of the assets. The depreciation policy applied is in line with the standards used by the Group's direct competitors in the Black Sea region.

j. Advances for agricultural and farming activity

For the purposes of an assessment of fair value gains on the agricultural activity, management made the following assumptions and estimates:

Market prices for commodities to be received as result of the agreement were benchmarked to prices on the date of receipt of commodities.

k. Fair value of Forward Contracts

The fair value of forward contracts has been identified as at 30 June 2023, using the available and observable market reference prices as at that date. The realization of these forward contracts is executed at the very close prices to the ones used for the valuation of these forward contracts. There is no any material difference between the fair value identified as at 30 June 2023 and the value at which these contracts are realized.

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7 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and constructions	Plant, Machinery and equipment	Other fixed assets of non-core activities	Assets in course of construction	Total
As at 30 June 2021					
Net book value	170,454	143,813	18,468	30,600	363,335
Net book amount	<u>170,454</u>	<u>143,813</u>	<u>18,468</u>	<u>30,600</u>	<u>363,335</u>
Year ended 30 June 2022					
Opening net book amount	170,454	143,813	18,468	30,600	363,335
Additions	433	1,686	3,286	11,550	16,955
Disposals	(316)	(1,637)	(496)	(1,135)	(3,584)
Transfers	1,066	1,068	3,115	(5,248)	-
Acquisitions through business combinations	44,775	5,696	1,253	242	51,966
Net exchange difference	(2,275)	(1,367)	(127)	(1,313)	(5,082)
Depreciation charge	<u>(11,215)</u>	<u>(5,001)</u>	<u>(820)</u>	<u>-</u>	<u>(17,035)</u>
Closing net book amount	<u><u>202,922</u></u>	<u><u>144,258</u></u>	<u><u>24,679</u></u>	<u><u>34,696</u></u>	<u><u>406,555</u></u>

During the year ended 30 June 2022, the Group has capitalized borrowing cost in the amount of 3.085 thousand USD, calculated using a capitalization rate of 7.15%.

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7 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and constructions	Plant, Machinery and equipment	Other fixed assets of non-core activities	Assets in course of construction	Total
As at 30 June 2022					
Net book value	202,922	144,258	24,679	34,696	406,555
Net book amount	<u>202,922</u>	<u>144,258</u>	<u>24,679</u>	<u>34,696</u>	<u>406,555</u>
Period ended 30 June 2023					
Opening net book amount	202,922	144,258	24,679	34,696	406,555
Additions	267	19,781	358	19,894	40,300
Disposals	(1,315)	(908)	(141)	(90)	(2,454)
Transfers	18,095	20,711	819	(39,625)	-
Impairment of assets	(5,679)	-	-	-	(5,679)
Net exchange difference	4,530	1,254	128	795	6,707
Depreciation charge	(13,347)	(5,951)	(976)	-	(20,274)
Fair value reserve	<u>27,732</u>	<u>7,794</u>	<u>6,678</u>	<u>-</u>	<u>42,204</u>
Closing net book amount	<u><u>233,205</u></u>	<u><u>186,939</u></u>	<u><u>31,545</u></u>	<u><u>15,670</u></u>	<u><u>467,359</u></u>

During the year ended 30 June 2023, the Group has capitalized borrowing cost in the amount of 4.845 thousand USD, calculated using a capitalization rate of 9.57%.

Impairment of assets relates to an incident in Danube Oil Company, Giurgiulesti (Republic of Moldova) when two out of six vertical storage facilities (silos) of sunflower meal collapsed due to uncertain technical issues and the subsequent fire breakout on 16 January 2023. The amount of impairment, 1.9 million USD, is the sum of the construction costs of all six vertical silos, which had been dismantled. In addition, the Group registered an impairment loss as a result of sales of Bogatic premises (Serbia, Victoria Oil), in the amount of 3.8 million USD.

The property, plant and equipment were re-valued on 30 April 2023.

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7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The revaluation was performed in accordance with International Valuation Standards by external, registered and independent valuers, Winterhill SRL (Romania), a well-known valuation Company, who holds recognised and relevant professional qualifications and has recent experience in valuation of assets of similar location and category. The valuation of assets was performed at fair value in compliance with International Standards on Valuation which defines fair value as “price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Where the fair value of an asset is able to be determined by reference to market-based evidence, such as sales of comparable assets, the fair value is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, discounted cash flows or depreciated replacement cost is used to determine fair value. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process.

The fair value measurement for all the property, plant and equipment has been recognised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 4)

The composition of the main assets as of June 30, 2023 is as follows:

Name & Location	Fair value
	30 June 2023
Trans Cargo - Giurgiulesti	46 135
Trans Bulk - Giurgiulesti	8 443
Elevator Anengrain - Anenii Noi	2 377
Trans-Oil Refinery - Ceadir Lunga	32 180
Elevator Prut - Cantemir	3 767
Elevator Flograin - Floresti	1 480
Elevator Unco Cereale - Unchitesti	3 060
Elevator AgroFloris Nord - Rogojeni	2 020
Floarea Soarelui - Balti	56 180
Elevator Ulei Nord - Otaci	6 344
Elevator Kelly Grains 1+2 Causeni	19 304
Elevator Molgranum - Donduseni	4 225
Elevator Cereale Prut - Ungheni	6 100
Aur Alb - Ceadir Lunga	5 785
Elevator Iargara - Iargara	5 560
Elevator Molgranum - Greceni	5 039
Reniyskiy Elevator – Reni	20 260
Reni-Line – Reni	10 517
FFA Trans Oil – Chisinau offices	3 522
175 railcars -Trans Oil Commodities & Agrofloris Nord	11 364
Global Grain International -Romania	12 401
Helios Agri International – Romania	20 099
Danube Oil Company – Giurgiulesti	44 100
Victoria Oil d.o.o.-Serbia	68 252
Luka-Bačka Palanka d.o.o. -Serbia	12 476
Žito-Bačka Kula d.o.o. -Serbia	24 451
Granexport d.o.o.- Serbia	13 812
TOI Shipping Limited	18 106
	467,359

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7 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in the determination of fair value of land, buildings, machinery used in production, computer hardware and furniture and fittings as well as the significant unobservable inputs used.

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Crushing, storage and port facilities	<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows to be generated from properties taking into account net annual revenues and costs to be generated by the facility over a period of 5 years, budgeted capital expenditure and terminal value. The expected cash flows were discounted using risk-adjusted discount rates.	<ul style="list-style-type: none"> - Expected annual revenues and costs - Budgeted capital expenditure - Terminal value - Risk-adjusted discount rates 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - expected annual revenues were higher (lower); - expected annual costs were lower (higher); - budgeted capital expenditure was lower (higher) - terminal value was higher (lower) - risk-adjusted discount rate was lower (higher).
Chisinau Offices owned by FFA Trans Oil SRL	<i>Direct capitalization:</i> Direct capitalization is the method utilized to convert a single year's estimate of income into a value indication. The capitalization is performed by use of an overall rate, or capitalization rate.	<ul style="list-style-type: none"> - Average monthly rent - Assumed vacancy rate - Annual expenses and loss - Capitalization rate 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - average monthly rent was higher (lower); - assumed vacancy rate was lower (higher); - annual expenses and loss was lower (higher); - capitalization rate was lower (higher)
75 Cereal Railway Wagons owned by Agrofloris Nord SRL and 100 Cereal Railway Wagons owned by Trans Oil Commodities SRL	<i>Depreciated Replacement Cost:</i> The valuation model considers how much it would cost to reproduce an asset of equivalent utility taking into account physical, functional and economic obsolescence. It estimates the replacement cost of the required capacity rather than the actual asset.	<ul style="list-style-type: none"> - Physical deterioration - Functional and economic obsolescence 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - Physical deterioration was lower (higher); - Functional and economic obsolescence was lower (higher);

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7 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The property, plant and equipment of the Group have been revalued in 2023 by an external and qualified valuator Winterhill Romania SRL. The Group has not valued the assets of Kelley Grains Corporation and TOI Commodities SA as these assets are clearly immaterial.

The following significant assumptions were applied:

- Cash flows were projected for each operational segment, the weight of each segment from total projected revenues for the periods being as such:
 - a. crushing segment – 33%;
 - b. trading segment – 36%
 - c. refining and bottling segments – 14%;
 - d. other segments - 17%;
- raw material costs are projected to represent 75% of total revenue throughout remaining projected period. Other production costs, such as labour costs and maintenance expenses were projected based on historical data. Commercial costs were projected on the level of 12% of the total revenue throughout the projection period
- utilities costs comprise the electricity and gas payments. Utilities costs were projected on the basis of historical consumption rates and utilities tariffs provided by the Group as of the valuation date;
- return on investments of 14.7%.

If items of property, plant and equipment were stated on the historical cost basis (for Moldavian subsidiaries only), the amounts would be as follows:

	<u>Land, buildings and constructions</u>	<u>Plant, machinery and equipment</u>	<u>Other fixed assets of non- core activities</u>	<u>Assets in course of construction</u>	<u>Total</u>
As at 30 June 2023					
Cost	59,925	85,207	10,223	71,760	227,115
Accumulated depreciation	<u>(22,198)</u>	<u>(35,592)</u>	<u>(1,349)</u>	-	<u>(59,139)</u>
Net book amount	<u>37,727</u>	<u>49,615</u>	<u>8,874</u>	<u>71,760</u>	<u>167,976</u>
As at 30 June 2022					
Cost	56,430	61,450	9,608	51,776	179,264
Accumulated depreciation	<u>(20,285)</u>	<u>(32,524)</u>	<u>(1,233)</u>	-	<u>(54,042)</u>
Net book amount	<u>36,145</u>	<u>28,926</u>	<u>8,375</u>	<u>51,776</u>	<u>125,222</u>

At 30 June 2023, property, plant and equipment with a carrying amount of USD 253,662 thousand (2022: 199,403 thousand) were pledged to Noteholders (see Note 17).

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8 INTANGIBLE ASSETS AND GOODWILL

	<u>Goodwill</u>	<u>Brands</u>	<u>Computer software</u>	<u>Licenses</u>	<u>Other intangible assets</u>	<u>Total</u>
As at 30 June 2021						
Cost	48,688	1,794	490	39	193	51,204
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(309)</u>	<u>(10)</u>	<u>(34)</u>	<u>(387)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>181</u>	<u>29</u>	<u>159</u>	<u>50,817</u>
Year ended 30 June 2022						
Opening net book amount	48,688	1,760	181	29	159	50,817
Additions due to acquisition	-	-	3	13	15	31
Additions due to business combinations	-	-	10	449	(7)	452
Disposals	-	-	(1)	-	(2)	(3)
Amortisation for the period	<u>-</u>	<u>-</u>	<u>(52)</u>	<u>(2)</u>	<u>-</u>	<u>(54)</u>
Closing net book amount	<u>48,688</u>	<u>1,760</u>	<u>141</u>	<u>489</u>	<u>165</u>	<u>51,243</u>
As at 30 June 2022						
Cost	48,688	1,794	502	501	199	51,684
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(361)</u>	<u>(12)</u>	<u>(34)</u>	<u>(441)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>141</u>	<u>489</u>	<u>165</u>	<u>51,243</u>
Year ended 30 June 2023						
Opening net book amount	48,688	1,760	141	489	165	51,243
Additions due to acquisition	-	-	62	13	104	179
Disposals	-	-	(3)	(8)	(87)	(98)
Amortisation for the period	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>(24)</u>	<u>-</u>	<u>(51)</u>
Closing net book amount	<u>48,688</u>	<u>1,760</u>	<u>173</u>	<u>470</u>	<u>182</u>	<u>51,273</u>
As at 30 June 203						
Cost	48,688	1,794	561	506	303	51,852
Accumulated amortisation	<u>-</u>	<u>(34)</u>	<u>(388)</u>	<u>(36)</u>	<u>(121)</u>	<u>(579)</u>
Net book amount	<u>48,688</u>	<u>1,760</u>	<u>173</u>	<u>470</u>	<u>182</u>	<u>51,273</u>

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8 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

On formation of the Group the Goodwill was allocated as follows:

As of 30 June 2012	Total assets	Less historical consideration	Equity valuation	Goodwill
Goodwill related to Vision Holding entities	110,948	26,412	107,667	23,140
Goodwill related to Stareverest entities	<u>80,304</u>	<u>56,684</u>	<u>48,670</u>	<u>25,050</u>
	<u>191,252</u>	<u>83,096</u>	<u>156,337</u>	<u>48,190</u>

Impairment test for CGUs containing goodwill

As of 30 June 2023, no impairment of goodwill was identified. The recoverable amount was estimated based on the value in business valuation model used for the identification of the net assets of the entities owned by Visions Holding and Stareverest as of the date of in-kind contribution of the shares of Visions Holding and Stareverest for the subscription of the shares of the Company. The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU's. Management considers the Group as a sole CGU amid vertical integration and the added value its assets chain brings to its dominant position on its main markets.

The key assumptions used were as follows:

Discount rate – 9,53% being the weighted average of the Group's cost of capital.

Terminal growth rate – 2% being a management estimation of group's expected growth rate into perpetuity.

Forecasted EBITDA compound annual growth rate – 38% for the next 3 years and flat for terminal value calculation.

Forecasted EBITDA ratio range – 9,3% - 9,7% for the next 3 years.

The Group's key intellectual properties are the trademarks used in the bottled oil segment. The Group owns 39 trademarks, out of which 8 are registered with the World Intellectual Property Organization and 31 are registered in Moldova, including the Group's brand name "Trans Oil Group of Companies". These intangible assets have infinite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

9 FORWARD CONTRACTS ASSETS AND LIABILITIES

The following tables present the fair value change of the Group's forward contracts. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are not available, fair values have been calculated by discounting expected cash flows at prevailing market interest and exchange rates. The estimated fair values have been determined using market information and appropriate valuation methodologies.

Forward contracts	<u>30 June 2023</u>	<u>30 June 2022</u>
Forward contracts assets	<u>112,425</u>	<u>31,313</u>
Forward contracts liabilities	<u>18,760</u>	<u>4,530</u>

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9 FORWARD CONTRACTS ASSETS AND LIABILITIES (CONTINUED)

During the year ended 30th June 2023, the Group entered into several agreements with farmers in the Republic of Moldova for the supply of commodities. The farmers cultivate wheat, corn, sunflower seeds, barley and rape seeds on the area of circa 130'100 ha. The Group is entitled to receive all commodities harvested out of those lands.

The Group recognized a loss of USD 3,599 thousand (30 June 2022: gain of 6,563 thousand) from the forward contracts of previous period as a result of change in contractual terms and conditions of deliveries.

10 INVENTORIES

	<u>30 June 2023</u>	<u>30 June 2022</u>
Own production	38,782	46,123
Grains & Oilseeds purchased for resale	434,674	417,675
Spare parts	4,001	3,124
Packing materials	1,221	1,805
Raw materials for agricultural products	442	9,584
Fertilizers	210	1,447
Other inventories	<u>4,281</u>	<u>4,252</u>
	<u>483,611</u>	<u>484,010</u>

Own production is made by the following:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Refined vegetable oil	3,886	2,576
Crude vegetable oil	28,517	32,024
Sunflower meal	662	3,171
Soya meal	2,063	3,425
Bottled vegetable oil	3,580	3,325
Other Grains & Oilseeds	<u>74</u>	<u>1,602</u>
	<u>38,782</u>	<u>46,123</u>

Grains & Oilseeds purchased for resale are made up as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Wheat	86,628	37,507
Barley	50,424	27,224
Sunflower	107,834	104,103
Corn	40,155	62,119
Other Grains & Oilseeds	67	59
Soya	22,628	1,117
Rape	22,983	36,026
Crude vegetable oil	100,747	148,646
Soybean meal	-	139
Sunflower meal	<u>3,208</u>	<u>735</u>
	<u>434,674</u>	<u>417,675</u>

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10 INVENTORIES (CONTINUED)

As of the date of the present consolidated financial statements, USD 144,220 thousand (30 June 2022: USD 50,647 thousand) of the inventories of the Group, as described above, were pledged to several trade finance providers of the Group, while the majority of inventories have been free of lien.

Inventories are characterized as readily marketable inventories (RMI) since they relate to commodities which have been purchased by the Group with the intention to be sold. These are treated by the Group as readily convertible into cash because of their commodity characteristics and the fact that there are widely available markets and international pricing mechanisms. The management estimates that the readily marketable inventories represent 98% of the inventories as at the end of the reporting period.

Own production and Grains & Oilseeds purchased for resale amounting to USD 473,456 thousand are valued at fair value less costs to sell, and other inventories amounting to USD 10,155 thousand are valued at the lower of cost or net realisable value.

11 TRADE AND OTHER RECEIVABLES

	<u>30 June 2023</u>	<u>30 June 2022</u>
Trade receivables	200,662	257,583
Advances to suppliers	169,064	121,694
Receivables from related parties (Note 29)	9,744	2,847
Receivables from the State budget	6,183	5,250
Receivables from employees	368	376
Other account receivables	8,558	10,970
Less: Expected credit loss allowance under IFRS 9 (Note 4.9)	(15,748)	(14,629)
Less: bad debts provision	<u>(3,291)</u>	<u>(3,676)</u>
	<u><u>375,540</u></u>	<u><u>380,415</u></u>

Advances to suppliers have a non-financial character as the Group expects all advances granted to be turned into deliveries of agricultural commodities.

The amount of value added tax ("VAT") receivable included in the Receivables from the State budget amounts to USD 6,183 thousand (30 June 2022: USD 5,250 thousand). This amount is applicable for the refund from the Government as well as there is a possibility to net off the amount with VAT inland sales.

The movement in allowance for doubtful accounts receivables and advances given is as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Balance as at 1 July	(18,305)	(10,562)
Less: Credit loss allowance under IFRS 9 for current period	(1,119)	(7,502)
Bad debts written off	410	(194)
Exchange rate differences	<u>(25)</u>	<u>(47)</u>
Balance at financial year ending as at 30 June	(19,039)	(18,305)

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11 TRADE AND OTHER RECEIVABLES (CONTINUED)

The balance of the receivables from personnel represents the amounts provided to the directors of the companies to fulfil acquisitions of the commodities from the small farmers and as of 30 June 2023 the balance of such amounts is USD 368 (30 June 2022: USD 376).

The charge for the year period ended 30 June 2023 following the ECL model was USD 1,119.

The carrying amounts of the Group's Trade receivables and other accounts receivables are denominated in the following currencies:

	<u>30 June 2023</u>	<u>30 June 2022</u>
MDL	25,154	10,542
USD	113,180	107,987
EUR	48,548	128,849
RON	3,201	1,126
RSD	<u>19,584</u>	<u>20,049</u>
	<u><u>209,667</u></u>	<u><u>268,553</u></u>

The Group does not hold any collateral over the trading balances.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. The Group's exposure to credit and market risks, and impairment losses related to trade and other receivables are disclosed in Note 4.

12 LEASE LIABILITIES

The Group leases land and port infrastructure, located in the Giurgiulesti, used for its transshipment purposes of traded commodities, as well as vehicles for its operational activity.

As of the date of reporting, the Group leases the following plots of land and port infrastructure through its subsidiaries:

- Trans Cargo Terminal SRL – 25,815 square metres – storage facility and forwarding services provider of grains;
- Trans Bulk Logistic SRL – 7,717 square metres – storage facility and forwarding services provider of oil production.
- Danube Oil Company SRL – 37,070 square metres - crushing facility.

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12 LEASE LIABILITIES (CONTINUED)

Lease liabilities comprise the discounted future fixed payments for land lease and annual minimum commitment for transhipped volumes of commodities via Danube Logistics's jetties.

As of 30 June 2023, annual minimum commitment payable for Trans Cargo Terminal SRL amounted to USD 685 thousand.

The following is the maturity analysis of lease payments under the lease agreements as of 30 June 2023:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Payable within one year	1,903	2,048
Payable in the second to fifth years	7,162	7,202
Payable after five years	<u>12,199</u>	<u>16,040</u>
Total	21,264	25,290
<i>Less</i>		
Future finance charges	<u>(8,671)</u>	<u>(12,154)</u>
Present value of lease obligations	12,593	13,136
<i>Less</i>		
Current portion	<u>(700)</u>	<u>(617)</u>
Lease obligations, long-term portion	<u>11,893</u>	<u>12,519</u>

13 CASH AND CASH EQUIVALENTS

	<u>30 June 2023</u>	<u>30 June 2022</u>
Cash at banks in foreign currencies	9,122	9,039
Cash in transit	44	44
Cash in USD	48,623	69,000
Restricted cash (DSRA)	9,930	515
Cash in hand	<u>38</u>	<u>262</u>
	<u>67,757</u>	<u>78,860</u>

Restricted cash in amount to USD 9,930 are balances in VTB Europe bank, which was sanctioned by OFAC in relation to Ukraine. The Group management has officially requested OFAC to release the funds. However, up until as of the date of this report, there is no updates on this matter.

14 SHARE CAPITAL

	30 June 2023		30 June 2022	
	Number of shares	Amount	Number of shares	Amount
Ordinary shares	12,572	18	12,572	18
Share premium	<u>-</u>	<u>20,437</u>	<u>-</u>	<u>20,437</u>
	<u>12,572</u>	<u>20,455</u>	<u>12,572</u>	<u>20,455</u>

In June 2019, International Finance Corporation ("IFC") being a redeemable preference shareholder of the Group, has sold its 1 B redeemable preference share to Mr. Vaja Jhashi for a price of USD 14 and has been cancelled.

On 18 June 2019, Oaktree Capital Management LP via its vehicle Cooperstown SARL acquired a 12.5% interest in Aragvi Holding International Ltd (the parent company of the Group) through a conversion of a loan granted to the Group in 2015 into equity. Principal, accrued interest exit fees and other commissions totalled USD 20,175 have been agreed by the parties to be the subscription or consideration amount.

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15 BORROWINGS

	<u>30 June 2023</u>	<u>30 June 2022</u>
Non-current		
Bank borrowings	57,236	66,904
Loan from related parties (Note 29.3)	20,775	19,553
Loan interest unwinding	<u>642</u>	<u>601</u>
	<u>78,653</u>	<u>87,058</u>
Current		
Bank borrowings	169,333	199,832
Bonds accrued interest	<u>7,476</u>	<u>7,476</u>
	<u>176,809</u>	<u>207,308</u>

As of June 30, 2023 the secured Pre-export syndicated facility arranged by ING Bank N.V. had a nil balance as of June 30, 2023 (2022: USD 1,000). The Group had also a secured Pre-Crop syndicated facility arranged by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), with USD 43,000 carrying amount as of 30 June 2023 (2022: USD 43,000). Both facilities have a short-term nature. As at 30 June 2023, the facilities contained a covenant stating that at the end of semester the Group's fixed charges coverage ratio (defined in the covenant as EBITDA over the Group's bond coupon, bank interest, bank and loans fees and commissions) cannot be under 2.0 times, otherwise the facility will be repayable on demand. As of June 30, 2023, the Group fulfilled this covenants requirement and was in no breach.

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15 **BORROWINGS (CONTINUED)**

Borrowings' reconciliation of movements to cash flows arising from financing activities are presented as follows:

Balance as of 1 July 2022:	294,366
Net movement in loans and borrowings	<u>(37,637)</u>
	256,729
Finance expenses accrued	76,078
Finance expenses paid	(74,502)
The effect of changes in foreign exchange rates	<u>(2,843)</u>
Borrowings as of June 30, 2023	255,462

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	Year ended 30 June 2023	Year ended 30 June 2022
6 months or less	73,859	145,663
6-12 months	102,949	83,106
1-5 years	78,654	45,443
Over 5 years	<u>-</u>	<u>20,154</u>
	<u>255,462</u>	<u>294,366</u>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	30 June 2023	30 June 2022
USD	114,187	131,015
EUR	141,275	163,351
CHF	<u>-</u>	<u>-</u>
	<u>255,462</u>	<u>294,366</u>
	30 June 2023	30 June 2022
Total bank loans	226,569	266,736
Other financial liabilities	7,476	7,476
Loan from related party (Note 29.3)	<u>21,417</u>	<u>20,154</u>
Total	<u>255,462</u>	<u>294,366</u>

Split of Group's loans and borrowings by nominal interest rates as of 30 June 2023:

Interest rate range %	<u>0-3</u>	<u>3-5</u>	<u>5-8</u>	<u>8-10</u>	<u>10-12</u>	<u>Total</u>
Loans and Borrowings	19,105	25,564	146,556	21,238	43,000	255,462

Split of Group's loans and borrowings by nominal interest rates as of 30 June 2022:

Interest rate range %	<u>0-3</u>	<u>3-5</u>	<u>5-8</u>	<u>8-10</u>	<u>Total</u>
Loans and Borrowings	35,160	94,110	130,627	34,469	294,366

The bank borrowings are pledged by the Group inventories, trade receivables and property, plant and cash and cash equivalents.

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16 BONDS ISSUED

	<u>30 June 2023</u>	<u>30 June 2022</u>
Secured senior notes	500,000	500,000
Less: Unamortized debt issue costs	<u>(11,341)</u>	<u>(14,573)</u>
	<u><u>488,659</u></u>	<u><u>485,427</u></u>

In April 2021 the Group issued US\$400m 5NC3 high yield bond ('the Notes') that will mature on 29 April 2026. The bond with ISIN code XS2326545204 is admitted on the Euronext Dublin under Global Exchange market ('GEM'). The Notes coupon started to accrue from 29 April 2021 at the rate of 8.45% per annum payable semi-annually in arrears on 29 April and 29 October each year commencing from 29 October 2021.

The Notes are secured, ranking equally with all existing and future senior indebtedness of the Issuer and have been unconditionally and irrevocably guaranteed by designated Group subsidiaries on the joint and several basis to the maximum extent permitted by law.

The noteholders will share in the benefit of the Security. The Security consists of substantially all of the movable assets (excluding commodities) of Agrofloris-Nord SRL, Elevatorul Iargara SA, Floarea Soarelui SA, Molgranum SRL, Trans Bulk Logistics SRL, Trans Cargo Terminal SRL, Uleinord SRL, Combinatul de Cereale Aur Alb SA, Elevatorul Kelley Grains SA, Trans Oil Refinery SRL and Reniyskiy Elevator ALC.

The Notes contain certain restrictive covenants that limit the ability of the Issuer and, where applicable, its restricted subsidiaries to create or incur certain liens, make restricted payments, engage in amalgamations, mergers or consolidations, or combination with other entities; make certain disposals and transfers of assets; and enter into transactions with affiliates.

Bond's reconciliation of movements to cash flows arising from financing activities are presented as follows:

Balance as of 1 July 2022:	485,427
Amortization of fees and commission re 8.45%/2026 bond	3,232
Bond issued as of 30 June 2023	488,659

On or after 20 April 2024, the Issuer may redeem the Notes in whole, but not in part, at the redemption prices (expressed as percentages of the principal amount of the Notes) set forth below, plus accrued and unpaid interest to (but excluding) the applicable redemption date, if redeemed during the periods indicated below:

<u>Year</u>	<u>Percentage</u>
Twelve-months beginning on 29 April 2024	104.225 per cent.
Nine-months beginning on 29 April 2025	102.1125 per cent.
Three-months beginning on 29 January 2026	100 per cent.

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16 BONDS ISSUED (CONTINUED)

At any time prior to 29 April 2024, upon not less than 30 nor more than 60 days' notice, the Issuer may redeem the Notes in an aggregate principal amount not to exceed 35 per cent of the aggregate principal amount of the Notes with the net cash proceeds of one or more Equity Offerings, at a redemption price equal to 108.45 per cent of the principal amount redeemed, plus accrued and unpaid interest, if any, to the date of redemption, provided that at least 65% of the principal amount of the Notes remains outstanding immediately after each such redemption.

In addition, at any time prior to 29 April 2024, the Issuer may redeem the Notes in whole, by paying the principal amount, plus accrued interest, together with the Make Whole Premium as more fully described in the Conditions.

Upon a change of control event each noteholder has the right, but not the obligation, to require the Issuer to purchase the Notes at the purchase price equal to 100 per cent of their principal amount, plus accrued and unpaid interest to the purchase date.

The proceeds from the issue were used to finance an early redemption of the outstanding US\$ 300m 12% Notes due 2024 via an any-and-all tender offer and exit consent exercise with additional funds directed for general corporate purposes, including financing of the Group's working capital.

The Notes were rated in line with the Issuer's IDR by Fitch (B) and S&P (B-).

On 2nd of June 2021 the Group issued a US\$50m tap of the US\$400m 5NC3 bond. It was priced at a yield of 7.45% / price of 104.033. Rating agencies reaffirmed the credit ratings of the Group and the Notes following the US\$50m tap issue - Fitch (B) and S&P (B-). The tap has been priced under the same Terms and Condition as the main issuance.

On 10th September 2021, the Group successfully priced another US\$50m tap issuance of the original US\$450m Eurobond due 2026. The transaction brings the outstanding Eurobond to a total benchmark size of US\$500m. The tap was priced at price of 104.125 reflecting final yield of 7.33% (YTW) – well inside the original issue yield.

17 BOND PREMIUM

	<u>30 June 2023</u>	<u>30 June 2022</u>
Bond premium	6,121	6,121
Less: amortization	<u>(2,340)</u>	<u>(1,115)</u>
	<u>3,781</u>	<u>5,006</u>

Upon pricing of the tap bond issue on 2nd of June, the Group recognized a bond premium equal to USD 2,439.

Upon pricing the second tap bond issue on 10th September 2021, Group recognized another bond premium in amount of USD 3,682.

This premium has been recognized as a result of the yield at which it has been priced – 7.45% or price of 104.133, and respectively 7.33% or price of 104.125 and compared to the coupon – 8.45%. The premium will be amortized in arrears following the linear method until the maturity of the bonds.

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18 TRADE AND OTHER PAYABLES

	<u>30 June 2023</u>	<u>30 June 2022</u>
Trade payables	67,441	45,282
Advances received	23,200	14,879
Payroll and social insurance payable	3,820	4,435
Taxes and other payables	<u>11,780</u>	<u>8,543</u>
	<u><u>106,241</u></u>	<u><u>73,139</u></u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above. The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 4.

19 PROVISIONS

	<u>30 June 2023</u>	<u>30 June 2022</u>
Provision for employees' benefits	<u>1,544</u>	<u>833</u>
	<u><u>1,544</u></u>	<u><u>833</u></u>

20 REVENUE

	<u>30 June 2023</u>	<u>30 June 2022</u>
Sales of grains and seeds	1,124,172	1,695,321
Sales of vegetable oil	654,245	508,031
Sales of oil meal	212,947	285,135
Sales of packed vegetable oil	96,410	148,574
Port, Storage, Cleaning and Drying Services	9,115	7,857
Sale of other products	<u>37,449</u>	<u>30,307</u>
	<u><u>2,134,338</u></u>	<u><u>2,675,225</u></u>

Information on revenue disaggregation by geographical markets and major products and timing of revenue recognition are disclosed in Note 2 Operating segments.

There were no contract assets or liabilities arising from contracts with customers as of 30 June 2023. The entire revenue recognized over time is considered as from performance obligations satisfied. This is mainly from the short-term nature of service rendered to the Group's customers, that makes the performance obligation short-lived by nature.

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21 COST OF SALES

	<u>30 June 2023</u>	<u>30 June 2022</u>
Opening stocks (Own production and Grains & Oilseeds purchased for resale)	463,587	394,329
Purchases of goods for resale	1,732,303	2,213,977
Closing stocks (Own production and Grains & Oilseeds purchased for resale)	<u>(473,456)</u>	<u>(463,587)</u>
	<u>1,722,434</u>	<u>2,144,719</u>
Depreciation (Note 7)	14,085	11,412
Water gas and electricity	6,470	6,403
Wages and salaries	9,568	7,346
Consumables	1,113	1,270
Transportation	2,582	2,440
Packing materials	6,148	6,128
Social contributions	1,523	1,557
Port services	2,878	2,133
Rent	1,275	933
Fuel	2,026	1,600
Maintenance	1,664	859
Materials	1,814	2,955
Other expenses	<u>1,166</u>	<u>379</u>
	<u><u>1,774,746</u></u>	<u><u>2,190,134</u></u>

22 SELLING AND DISTRIBUTION

	<u>30 June 2023</u>	<u>30 June 2022</u>
Freightage expenses	86,865	107,778
Transportation	34,988	56,349
Railroad expenses	3,497	9,110
Wages and salaries	3,241	2,382
Credit loss allowance under IFRS 9 (Note 11)	734	7,743
Inspections and surveys	2,642	3,675
Demurrage expenses	7,959	14,661
Other commercial services	2,088	1,900
Certification and expertise	236	1,027
Custom duties	266	399
Packing expenses	1,169	1,062
Loading expenses	10,500	14,583
Depreciation (Note 7)	3,139	2,954
Storage Services	3,542	3,322
Marketing services	201	91
Social contributions	760	561
Insurance expenses	4,928	4,764
Brokerage expenses	3,057	6,452
Other Selling and Distribution expenses	<u>5,390</u>	<u>1,017</u>
	<u><u>175,202</u></u>	<u><u>239,830</u></u>

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23 ADMINISTRATIVE EXPENSES

	<u>30 June 2023</u>	<u>30 June 2022</u>
Wages and salaries	11,553	9,576
Bank expenses	791	812
Social contributions	2,427	2,047
Taxes	2,301	2,293
Legal and consulting expenses	1,562	1,514
Entertainment and representation expenses	190	107
Depreciation (Note 7)	1,154	822
Audit fees	273	248
Maintenance	696	292
Rent	1,048	1,545
Telephone and postage	281	335
Survey expenses	377	316
Fuel	249	461
Insurance expenses	478	642
Travelling and accommodation	1,809	1,032
Notary's fees	262	188
Other administrative expenses	<u>350</u>	<u>523</u>
	<u>25,801</u>	<u>22,753</u>

24 OTHER LOSSES – NET

	<u>30 June 2023</u>	<u>30 June 2022</u>
Loss on disposal of fixed assets	249	370
Depreciation	1,947	1,848
Impairment of assets	5,679	-
Rent expenses	132	284
Inventory write off	309	685
Fines and claims	200	238
Tax expenses	653	854
Profit from sale of other inventories	100	243
Wages and salaries	664	973
Social contributions	146	237
Repair and maintenance	134	512
Other gains	<u>(908)</u>	<u>695</u>
	<u>9,305</u>	<u>6,939</u>

25 OTHER INCOME

	<u>30 June 2023</u>	<u>30 June 2022</u>
Customers' demurrage	-	2,516
Bargain purchase	-	7,783
Proceeds from penalties and claims	138	398
Gain from write off of expired trade payables	44	103
Stock count surplus	3,127	1,878
Transportation and other services	1,517	1,981
Reversal of bad debt provision	2,398	-
Other operating income	<u>3,186</u>	<u>1,998</u>
	<u>10,410</u>	<u>16,657</u>

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26 NET FINANCE COSTS

	<u>30 June 2023</u>	<u>30 June 2022</u>
Interest expenses	22,028	21,931
Loan Commissions	7,014	6,654
Bank Commissions	2,124	2,492
Interest on bonds issued	42,133	42,250
Amortization of bonds issued costs (Note 17)	2,686	2,513
Amortization of bond premium	(1,224)	(1,071)
Lease interest expenses	1,254	1,274
Loan interest unwinding	1,263	601
Net foreign exchange difference	<u>(9,421)</u>	<u>(11,191)</u>
Net finance costs	<u><u>67,857</u></u>	<u><u>65,453</u></u>

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27 INCOME TAX EXPENSE

The Company accrued income taxes at the rate of 12% on profits computed in accordance with the tax legislation of the Republic of Moldova, Switzerland (13.99%), Cyprus (12.5%), Ukraine (18%), Romania (16%), Ireland (12.5%), United Arab Emirates (9%) and Serbia (15%). For the residents of Free trade zone Giurgiulesti there is a 6% tax rate applicable for all types of profits underlying the transactions inside the Giurgiulesti International Free Port according to the special law of “Giurgiulesti International Free Port” (articles 7 and 8).

Profit before taxation for financial reporting purposes is reconciled to tax expense as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Profit before taxation	91,837	166,772
Current tax expense for the period at effective statutory rate of 6%-18% (2022: 6%-12.5%)	(20,194)	(16,339)
Deferred income tax expense reported in the income statement	<u>1,756</u>	<u>(2,100)</u>
Income tax expenses	<u><u>(18,438)</u></u>	<u><u>(18,439)</u></u>

The income tax expense is reconciled to the profit before income tax per Consolidated Statement of Profit or Loss as follows:

	<u>30 June 2023</u>	<u>30 June 2022</u>
Profit before taxation	<u>91,837</u>	<u>166,773</u>
Tax Expenses at Moldovan/Serbian/Swiss/Romanian/Ukrainian blended statutory rate (12%/13.99%/15%/16%/18%)	(12,370)	(19,680)
Effect of 50% reduction in Moldovan tax rate due to residency in special tax zone	21	1,910
Effect of reversed unused tax losses and tax offsets not recognized as deferred tax liability	-	34
Effect of different tax rates of Subsidiaries operating in other jurisdictions (Ukraine and Romania)	87	(125)
Other expenditures not allowable for income tax purposes and non-taxable income	<u>(6,176)</u>	<u>(578)</u>
Income tax expenses	<u><u>(18,438)</u></u>	<u><u>(18,439)</u></u>

The effective corporate income tax rate for the financial year ended 30 June 2023 is 20.05% (30 June 2022: 11.06%).

TOI Commodities SA – the Group’s Swiss subsidiary, has been subject of the total tax control for the period covering 2012-2021, undertaken by Swiss Tax Authorities (AFC). In the letter received on 30 November 2022, AFC did not recognize certain adjustments, posted by the management in FY2020 and FY2021. It resulted in an increase of the taxable profit of USD 35.072 million. The Corporate Income Tax attributable to this increase is equal to USD 4.910 million (CHF 4.592 million) (@ 14%). In financial year 2022, Group recognized a provision in full amount of USD 4.910 million. During financial year 2023, Management decided to object the decision with AFC and engaged a law firm, OBERSON & ABELS to defend the Company’s position in front of the AFC. Taking into consideration this action, in financial year 2023, 50% of provision (2.455 USD) has been reversed.

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27 INCOME TAX EXPENSE (CONTINUED)

The effective corporate income tax rate for the financial year ended 30 June is reconciled as follows:

	30 June 2023		30 June 2022	
	%	Amount	%	Amount
Profit before tax from continuing operations		91,837		166,773
Tax using the Group's jurisdictions blended tax rate	16.24	12,370	12.76	19,680
Tax effect of:				
Cypriot segment tax loss				
Moldovan segment tax profits				
Tax incentives	(2.3)	(20)	(1.14)	(1,900)
Non-deductible expenses	<u>6.6</u>	<u>6,088</u>	<u>0.40</u>	<u>659</u>
	<u>20.05%</u>	<u>18,438</u>	<u>11.06%</u>	<u>18,439</u>

The financial year is different from the fiscal year and the tax is provided based on the management best estimates available at the end of the financial year.

Deferred tax represents the amount of temporary difference for the non-current tangible assets. Deferred tax has been accrued and apportioned to income statement as expense and other comprehensive income for the portion arising due to revaluation of non-current tangible assets of Group entities in the following amounts:

Deferred tax liability as of 30 June 2022	32,536
- Movement from Swiss component	(1,922)
- Movement from Serbian component	119
- Movement related to revaluation of Property, plant and Equipment	<u>3,742</u>
Deferred tax liability as 30 June 2023	<u>34,475</u>

28 EMPLOYEE BENEFIT EXPENSE

Contributions are made to the government's retirement benefit scheme at the statutory rates in force during the period based on gross salary payments. The cost of social security payments is charged to the profit or loss in the same period as the related salary cost. There are no other employee benefits. The cost of social security and other funds payments for the six-month period ended 30 June 2023 amounted to USD 6,226 (30 June 2022: USD 5,203).

	30 June 2023	30 June 2022
Wages and salaries	28,016	22,624
Social insurance costs and other funds	<u>6,226</u>	<u>5,203</u>
	<u>34,242</u>	<u>27,827</u>

The total wages and salaries and social insurance costs and other funds do not reconcile to the respective lines, included in the notes related to Statement of Profit or Loss. Part of the total employees' expenses are accounted in other lines of the aforementioned notes, due to the inclusion of the workmanship into other lines that subsequently had been expensed to other lines.

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29 RELATED - PARTY TRANSACTIONS

The ultimate controlling parties as of 30 June 2023 and during the financial period then ended were Mr. Vaja Jhashi (87.5%) and Oaktree Capital Management LP via Cooperstown SARL (12.5%). The shareholders and their representatives in the Board of Directors and the Management Board act in co-operation with each other as part of governing and implementing the financial and operating policies of the Group.

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The following list represents other related (non-consolidating parties):

Entity	Principal activity	Country of incorporation
Vaja Jhashi	Shareholder	n/a
Delta Commodities & Financial Services SA (DCFS)	Relationship via the shareholder	Switzerland
Silcampes-Sud SRL	Relationship via the relatives of the one of the management of Aragvi	Moldova
Floarea International SRL	Relationship via the DCFS	Romania
Cooperstown SARL	Shareholder	Luxembourg

Balances with related parties

	30 June 2023	30 June 2022
29.1 Advance balances and accounts receivable (Note 11)		
Mr.Vaja Jhashi (shareholder)	2,424	1,485
Floarea International SRL	491	303
Delta Commodity & Financial Services SA	6,814	1,029
Silcampes-Sud SRL (other related party)	<u>26</u>	<u>29</u>
	<u>9,755</u>	<u>2,846</u>

	30 June 2023	30 June 2022
29.2 Advance balances and accounts payables		
Delta Commodity & Financial Services SA	<u>-</u>	<u>1,159</u>
	<u>-</u>	<u>1,159</u>

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29 RELATED - PARTY TRANSACTIONS (CONTINUED)

Mr. Vaja Jhashi receivables balance as at 30 June 2023 is non-interest bearing and does not have a specified maturity date.

	30 June 2023	30 June 2022
29.3 Loan from related party (Note 15)		
Mr.Vaja Jhashi (shareholder)	19,334	18,752
Cooperstown SARL (shareholder)	819	801
Loan interest unwinding	<u>1,263</u>	<u>601</u>
	<u><u>21,416</u></u>	<u><u>20,154</u></u>

The shareholder loans provided during the financial period 2021 are related to the financing of VictoriaOil acquisition. Loans are interest bearing and subordinated to the claims of other creditors of VictoriaOil and the payment of interest and the principal amount under the shareholder loan is deferred until after the final redemption date of the Bond notes. Loans mature in November 2027.

The loan amounting 14,169, granted by Mr. Vaja Jhashi, the main shareholder, is non-interest bearing. Also, the loan is subordinated to note holders (Note 15) and to several financial institutions - providers of trade finance facilities to the Group. As of 30 June 2023, the Group has accounted for the fair value of non-current financial liabilities, which related to the shareholder's loans.

Key management compensation for year ended as at 30 June 2023 amounts to USD 2,587 (30 June 2022: USD 2,180 thousand). Compensation of the Group's key management personnel includes salaries and bonuses, representing short-term employee benefits. Remuneration of the Group's Board of Directors for the year ended as at 30 June 2023 amounted to USD 330 thousand (2022: USD'330 thousand).

30 CONTINGENCIES AND COMMITMENTS

Covenants

The Group has a secured Pre-export syndicated facility arranged by ING Bank N.V. with nil carrying amount at 30 June 2023 (30 June 2022: USD 1'000). The Group has also a secured Pre-Crop syndicated facility arranged by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), with a carrying amount of USD 43'000 at 30 June 2023 (30 June 2022: USD 43,000). Both facilities have a short-term nature. As of 30 June 2023, the Group was in compliance with all covenants requirements and was in no breach of financial covenants.

Taxation

The legislation and fiscal environment in Serbia, Romania and Moldova and their implementation into practice change frequently and are subject to different interpretations by various Ministries of the Governments. The governments have a number of agencies that are authorized to conduct audits ("controls") of Group companies. These controls are similar in nature to tax audits performed by taxing authorities in many countries but may extend not only to tax matters but to other legal or regulatory matters, which the applicable agency may be interested. Corporate income tax returns are subject to review and correction by the tax authorities for a period generally up to five-seven years subsequent to their filing and, consequently, the Group's subsidiaries tax returns are subject to such review.

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30 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Taxation (continued)

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements; however, the risk remains that tax authorities could take differing positions with regard to the interpretation of these issues and the effect could be significant.

The Group has implemented a transfer pricing policy that became effective on 1 January 2022. The procedures and applicable approach cover all Group subsidiaries, regardless of its jurisdictions.

Legal proceedings

During the financial period, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the results of operations or financial position of the Group, and which have not been accrued or disclosed in these consolidated financial statements.

31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES

Operating Environment

Over the recent years, the Group has expanded its operations through several new geographic regions and countries, some of which are categorized as developing, complex or having unstable political or economic landscapes. As a result, the Group is exposed to a range of political, economic, regulatory, social and tax environments.

The Group's assets are mainly concentrated in Moldova, Romania and Serbia. Also, the Group is operating in Black Sea (Moldova, Romania and Ukraine), Central Europe (Serbia, Montenegro, Croatia and North Macedonia) Mediterranean, Middle East and Americas markets as a basis of origination and marketing. The Group continues to actively engage with governmental authorities in light of potential changes and developments in legislation and enforcement policies.

Moldova:

Moldova has undergone substantial political and economic change. Being an emerging market, Moldova does not possess a well-developed business infrastructure, which generally exists in a more mature free market economy.

As a result, operations carried out in Moldova are generally riskier than those in developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors could affect the Group's ability to operate commercially.

It is not possible to estimate what changes may occur or the resulting effect of any such changes on the Group financial condition or future results of operations. The market in which the Group operates is one with medium competition and the Group is the leading enterprise with the largest share of the Moldovan market (more than 50% of the grains and oilseeds market capacity).

31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES (CONTINUED)

Romania:

Romania has recently been classified as a high-income country by the World Bank in recognition to its high economic growth and, economic and political reforms the country has undergone since joining the European Union. Romania has a sovereign investment grade rating set by the major rating agencies. The Group operates a crushing facility in Romania, as well as trading operations in Constanta port. Romanian grains and oilseeds market is highly competitive with major global players operating in the country; therefore the margins are tighter than in Moldova.

Ukraine:

Following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation in February 2022 military conflicts have escalated and the Russian Federation commenced military operations in Ukraine. The military conflict in Ukraine has a detrimental impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. The Group's port facilities located in Reni, Odessa Region, Ukraine operate normally during the financial period reported, denoting an increased demand for its throughput capacities. The utilisation rate of the Reni port facilities crossed 100% mark in FY2022. Group continues close collaboration with Ukrainian agricultural producers, traders and local authorities, in order to facilitate the export of Ukrainian commodities through the Group's value chain.

The consolidated financial statements reflect management's assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Serbia:

The Serbian economy is vulnerable to external shocks and remains potentially exposed to a deterioration in global economic conditions. For instance, any significant decline in the economic growth of Serbia's main trading partners, including the EU member states, or any other deterioration in Serbia's relationships with such trading partners, could have an adverse effect on Serbia's balance of trade and adversely affect Serbia's economic growth. Serbia's exports are largely directed towards the EU, and are therefore reliant on demand from the countries comprising the EU. The Group operates in Serbia a crushing plant, Victoria Oil d.o.o - one of Serbia's leading agri-business companies and one of the largest producers and exporters in both Serbia and the region, and Balkan Commodities International d.o.o and its subsidiaries - Luka-Backa Palanka d.o.o., Zito-Backa Kula d.o.o. and Granexport d.o.o. - owning several inland grain storages and two port terminals on Danube River in Serbia.

United Arab Emirates:

The United Arab Emirates registered high economic performance in recent years, backed by ongoing reforms in banking, tourism and construction sectors. During the financial year 2022, the Group incorporated TOI Commodities Middle East DWC-LLC, a trading company, aiming to undertake the group's trading activities in the MENA region.

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31 OPERATING ENVIRONMENT AND CONTINGENT LIABILITIES

Contingent liabilities

The Group has contingent liabilities in respect of lease agreements in force as of the reporting date. It is not anticipated that any material liabilities will arise from the contingent liabilities except the following:

- i. Subsidiary Trans Cargo Terminal SRL has a commitment to restore the land after the lease agreement is expired (agreement between Trans Cargo Terminal SRL and Danube Logistic SRL as a lessor). Total amount of forecasted expenses is USD 95. The lease agreement has a maturity in year 2032.
- ii. Subsidiary Trans Bulk Logistic SRL has a commitment to restore the land after the lease agreement is expired (agreement between Trans Bulk Logistic SRL and Danube Logistic SRL as a lessor). Total amount of forecasted expenses is USD 42. The lease agreement has a maturity in year 2032.

32 ENTITIES DIRECTLY INVESTED WHICH ARE NOT CONSOLIDATED

The Group has investment in entities which are not consolidated (as stated in Note 4). The investment to the entities mentioned above is nil. The net assets of these entities equal to the investment to the subsidiary.

33 PLEDGED ASSETS

The Group's main assets are pledged to the note holders. Please refer to Note 16 for more information.

34 SUBSEQUENT EVENTS

In July 2023, the Group has extended its Pre-export facility (PXF) granted to TOI Commodities SA arranged by ING Bank N.V. for another two years until June 30th 2025 for a maximum amount up to US\$ 200 million. As of the date of this report, the total firm commitments are US\$ 150 million distributed among ING Bank N.V., Amsterdam, Lancy/Geneva Branch, FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.), UniCredit Bank Austria AG, Raiffeisen Bank International AG, Black Sea Trade and Development Bank, OTP Bank S.A. Moldova, OTP Bank Plc., FIMBank p.l.c and Citibank N.A., London Branch. The facility benefits from one Tranche committed for one year including an extension option for one additional year and one Tranche committed for two years. The facility benefits from an accordion clause allowing any new or current lender to join the facility during its lifetime up to the maximum amount.

On September 28th, 2023, the Group has signed a new committed facility for US\$ 31.3 million arranged by FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) together with other DFIs (BP, DFCD and Proparco). The facility will be dedicated to support the Group working capital needs for the origination of commodities from Ukraine. The tenor of the facility is August 2028, with one tranche for USD 16,3 million up to February 2026 including an extension option for 2,5 additional years and one for USD 15 million with a tenor until August 2028.

During the first quarter of financial year 2024, additional bilateral lines (transactional and uncommitted) have been granted and old ones were renewed by TOI Commodities SA for a total amount of up to \$260 million. Among these are Credit Agricole (Switzerland) SA, Arab Bank (Switzerland) Ltd, ING N.V. Amsterdam, BIC-BRED (Suisse) SA, TradeXBank AG, Raiffeisen Bank (Romania), UBS AG and Citibank London. These lines will support Group's working capital needs for origination of commodities of different origins, but mainly from Moldova, Romania, Serbia and Ukraine.

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