TRANS-OIL
Group of Companies

# Investor Presentation

March 2023

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# I. Key Highlights & Recent Developments

# Trans-Oil at a glance

**A leading agro-industrial business in CEE**

**#1** ***originator, processor and exporter*** *of agri-commodities in Moldova*

**CEE** ***expansion*** *into origination and processing in Romania, Serbia and other CEE countries*

**Vertically-integrated business** with control over the entire value chain

**46 silos & 4 ports** ***unique*** *in-land and Danube waterway* ***infrastructure***

**5** ***modern crushing and refining plants*** *with crushing capacity of ca. 4.2k MT/day*

**Strong international client base** in Europe, Black Sea Area[1], Mediterranean and MENA[2]

**High sustainable growth** with 50.7% revenue CAGR and 33.7% EBITDA CAGR since 31 December 2019

**Healthy leverage** with adj. Net Debt[3]/ EBITDA at 2.0x and FCCR[4] at 2.9x as of 31 December 2022

**Credit ratings**

| | |
|---|---|
| Fitch Ratings | **B (Stable)** |
| S&P Global Ratings | **B- (Stable)** |

**$2.5bn**
Revenue in LTM 1H 2023[6]

**$579m**
Total equity
*(31 Dec 2023)*

**$222m**
EBITDA in LTM 1H 2023[6]

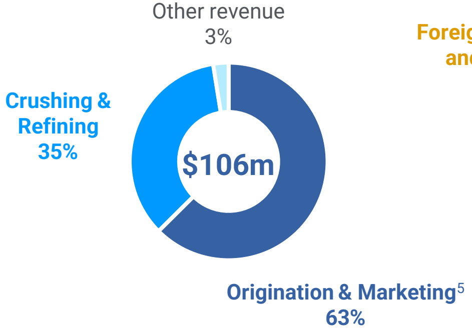
**9%**
EBITDA margin in LTM 1H 2023[6]

**4.5m MT**
Total sales volume in LTM 1H 2023[6]

**806k MT**
Total crushed volume in LTM 1H 2023[6]

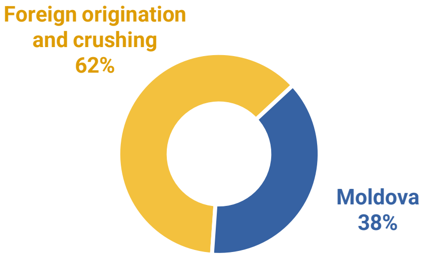
## EBITDA by segment

1H 2022/23



## EBITDA by geography

1H 2022/23



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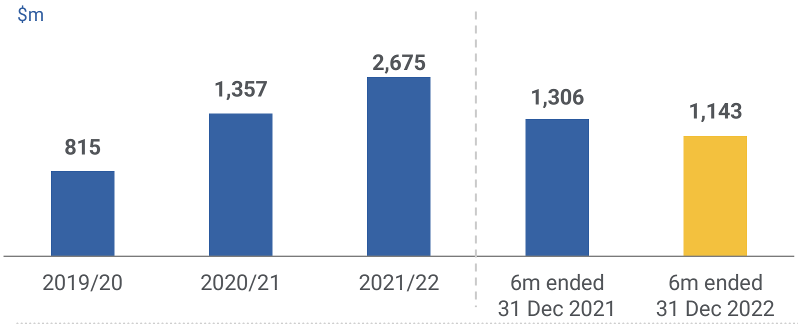
*Notes: 1 – Includes Romania, Moldova, Serbia, Ukraine and Turkey; 2 – Includes Iraq, Lebanon, Egypt, UAE, Oman, Saudi Arabia; 3– Net Debt excl. 75% Readily Marketable Inventories (RMI) and non-interest bearing subordinated shareholder loan; 4 – Calculated as EBITDA for the financial year divided by Fixed charges (Sum of interest expense, loan commissions, bank commissions, interest on bonds issued, lease interest expenses and amortization of bonds issued costs; 5 – Includes Infrastructure EBITDA; 6 – Last twelve months ending 31 Dec 2022. Trans-Oil Group includes Aragvi Holding International Ltd together with all its subsidiaries*

# 1H 2023FY Financial highlights

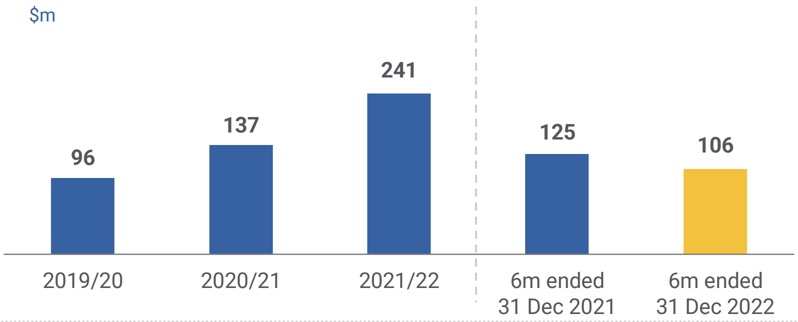
## Revenues

LTM[1] **Revenue - $2,512m**



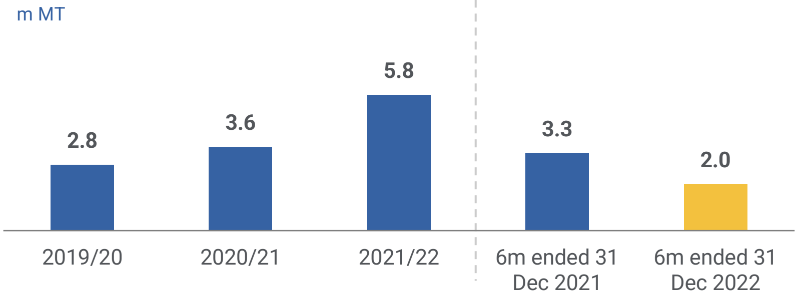
## EBITDA

LTM[1] **EBITDA - $222m**

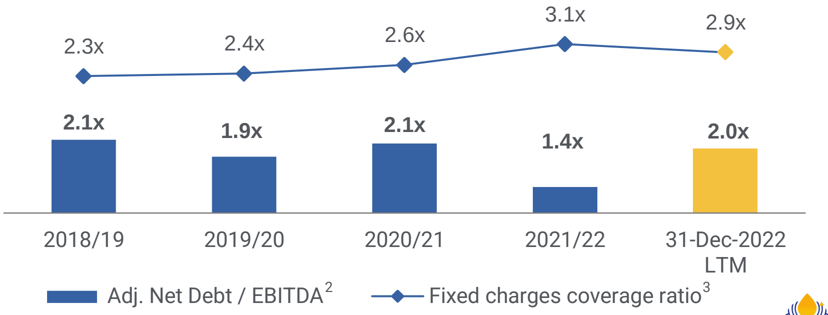


## Volumes

LTM[1] **Volumes – 4.5m MT**



## Healthy leverage and stable FCCR



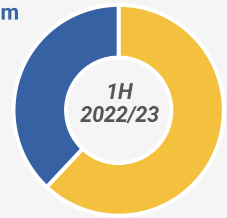
*Note: 1 – The last twelve months ended 31 December 2022; 2 – Net Debt excluding 75% RMI and non-interest bearing subordinated shareholder loan; 3 – Calculated as EBITDA for the last twelve months divided by Fixed charges (Sum of interest expense, loan commissions, bank commissions, interest on bonds issued, lease interest expenses and amortization of bonds issued costs)*

# Key developments

1

## International diversification

*EBITDA structure by geography*



2

## Successful integration of the Serbian Assets

*Completed acquisition & integration of the **largest silos complex** and **port terminal infrastructure** in Serbia*

*Consolidation of **the largest modern crushing plant in Serbia** (**Victoria Oil**) into the Group's business*

**$155m**

Revenue from Serbia in 1H 2022/23

3

## Investing in logistics infrastructure

**~EUR 16m**

*Acquisition of*

- ***3 river barges** – 2 oil river tankers (loading capacity 2,800 MT each) & 1 dry bulk river carrier (loading capacity 2,800 MT)*
- ***1 Handymax type vessel** (loading capacity up to 18,000 MT)*

4

## New crushing facility launched production

**Sep 2022**

*production launch date*

**~$37m**

*total investments to date*

**500MT/day**

*current workload*

**700MT/day**

*workload plan commenced November 2022*

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# Impact of Russia-Ukraine conflict on Trans-Oil operations

1

**~1.3m MT of agri commodities (SFS, corn, barley, wheat and SFS oil) to be sourced from inland Ukraine**

This additional volume will **support the Group's utilization rates** of its crushing plants as well as **increase international sales volumes** in 2023FY

2

**Two grain terminals at the Reni port in Ukraine operate at 100%+ capacity**

**597k MT** transshipment volume[1]

**73k MT** storage capacity

3

**Increased demand for Danube river logistics and lower seagoing vessel capacity at Black Sea ports**

- Due to Black Sea shipping limitation, Ukrainian commodities are being exported via alternative routs (e.g. by land and rivers)
- The increased volume turnover has led to shortage and increase of freight prices on both, sea and rivers

Trans-Oil acquired **own river fleet** that would allow the Group **to move up to 1m MT of goods per year** at competitive cost **(around 40% discount to the market price)**

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Note: 1 – Excluding third-party services in 2021/22FY

# Key investment highlights

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## I Strategically located within attractive market

- Well-positioned in the Black Sea region to serve **1bn+ population with growing consumption**
- **Well-diversified international marketing** between Europe and rapidly growing MENA markets
- Export business with **hard currency revenue**

## II Leading CEE agro-industrial franchise

- Access to **broad commodity base** and **wide end-consumer markets in CEE**
- **Prudent expansion** of operations in origination and processing within the Danube region
- **Unique in-land and waterway infrastructure** provide long-term competitive advantage

## III Vertically integrated business

- Efficient **vertically integrated business** from origination, processing to international marketing
- **High origination / crushing margins** through direct access to farmers and stringent cost control within own infrastructure
- **Well invested modern facilities** with potential to further grow capacity utilization

## IV Strong financial performance

- **Robust growth** with 50.7% revenue CAGR and 33.7% EBITDA CAGR since 31 December 2019
- **Market leading margins** (gross profit margin 16.3% and EBITDA margin 8.9%[1])
- **Healthy balance sheet and leverage** (Adj. Net debt[2] / EBITDA 2.0x as of 31 December 2022)

## V Experienced management and governance

- **Established corporate governance** with a majority of INEDs on the BoD and Oaktree Capital Management as a minority shareholder
- **Highly professional team** led by founder Vaja Jhashi for over 15 years
- **Strong commitment to the community and environment**

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*Note: 1 – Last twelve months ending 31 Dec 2022; 2 – Net Debt excl. 75% Readily Marketable Inventories (RMI) and non-interest bearing subordinated shareholder loan*

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# II. Leading CEE agro-industrial franchise

# Efficient vertically integrated business

**Third-party farmers**

Sunflower seed

Wheat

Corn

Rapeseeds

Barley

Soybean

**Intl. origination**

**Storage**

Inland elevators

Trans-Oil Refinery

Floarea Soarelui

Tandarei

VictoriaOil

Giurgiulesti plant

*Launched in September 2022*

**Crushing & Refining**

**Danube terminals**

Giurgiulesti Port

Reni Port

Pančevo

Bačka Palanka

Constanta port

**Partnership terminals**

International Trading Co
TOI Commodities (Switzerland)

Final off-takers

Origination → Silos → Crushing & Refinery → Ports → International marketing

# Expanding operations within CEE

**Access to broader commodities base enjoying higher crop and weather risk diversification**

**Access to wide end-consumer base at CEE (for bottled oil)**

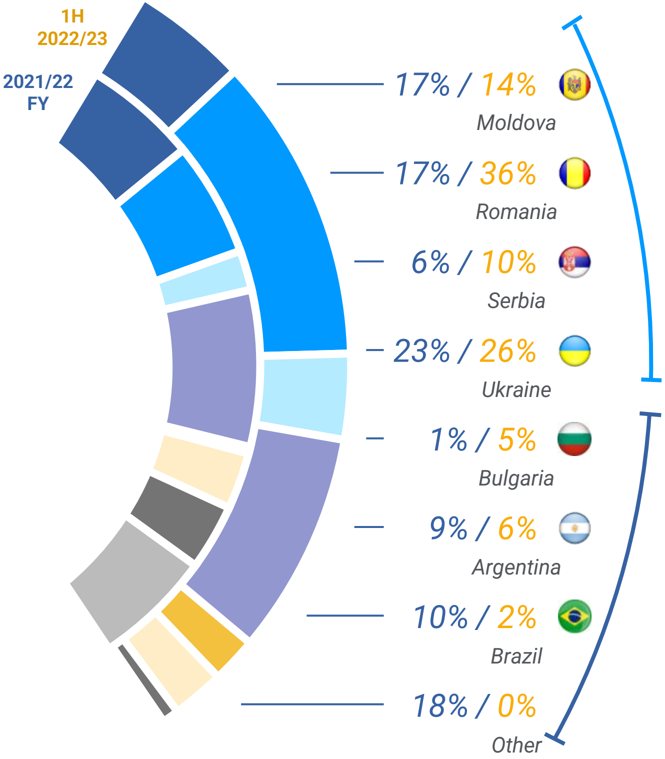
**Exposure to higher-rated jurisdictions**

**62%** **of Group EBITDA outside Moldova in mid-term**

# Origination & marketing: Diversified operations address key risks

## Successfully diversifying origination operations

Origination & Marketing revenue[1] by origin, %



**2021/22FY** **1H 2022/23**

**64%** **86%**

### Central-Eastern Europe[3]

- ➢ Maintaining market leadership in Moldova
  - – Well diversified supplier base represented by major crop farmers
- ➢ Forward contracts at pre agreed price, delivery terms and delivery date
- ➢ Strong insight into local origination with existing operations in Romania and Serbia
- ➢ Vast inland and Danube waterway infrastructure

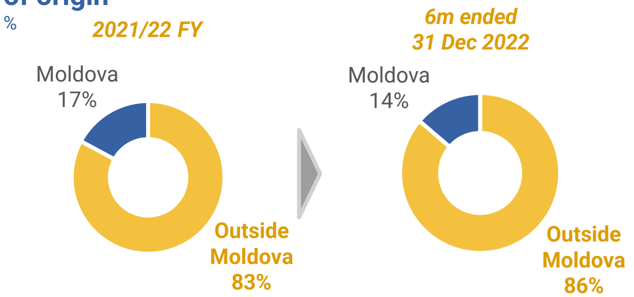
**36%** **14%**

### International origination

- ➢ Incremental origination of soybean and other crops in LatAm and other regions
  - – Agreements with largest LatAm originators / crop producers
- ➢ Limited exposure to price and fulfillment risks
  - – FOB purchases in LatAm and CIF sales to MENA
  - – No significant long or short position
- ➢ Efficient weather risk diversification

## Origination & Marketing[1] revenue by geography of origin

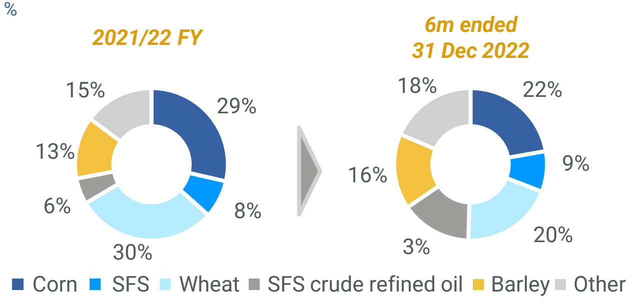
%



***Efficient diversification outside Moldova given drought risk occurrence in the country and region***

## Origination & Marketing revenue by crop[2]

%



***Revenue diversification with the focus on a wider crop portfolio***

*Note: 1 – Includes Infrastructure revenue; 2 – Excludes Infrastructure revenue; 3 – Includes Moldova, Romania, Serbia, Ukraine*
*Numbers may not add up due to rounding*

# Diversified geographical reach in core markets

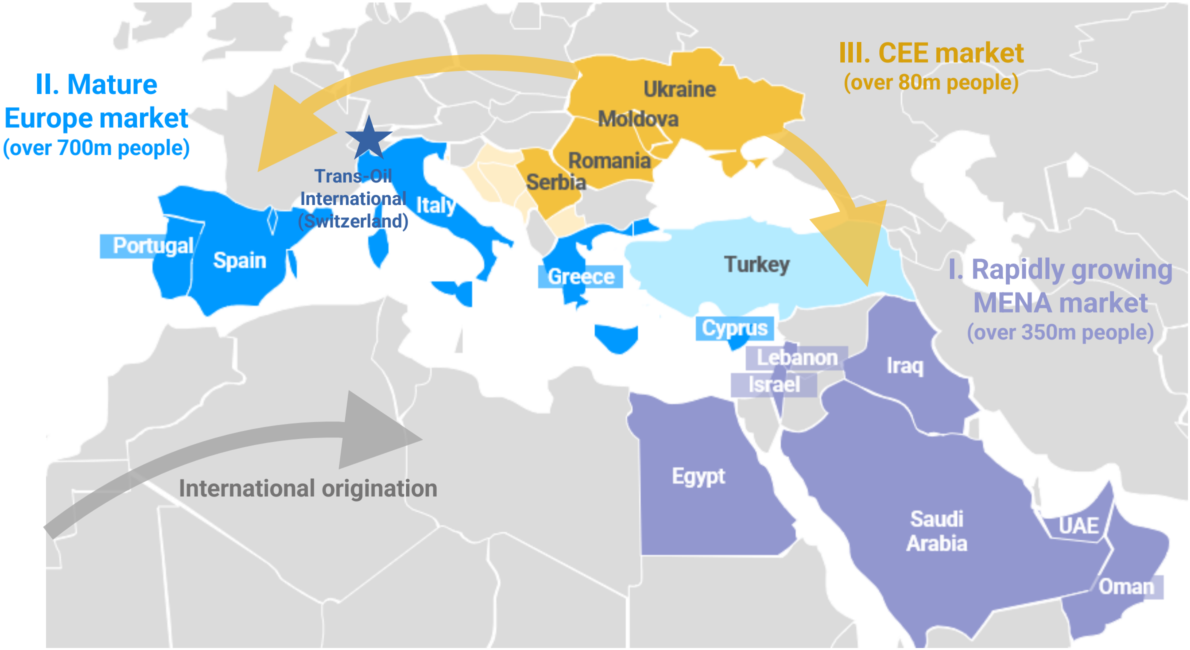
**Diversified international customer base** allows to efficiently redirect the focus of the marketing operations

**Efficiently expanding MENA sales** via increased contract volumes with current clients and entering new markets

**EU Sales** sourced predominantly from Moldova / CEE under Free Trade Agreement

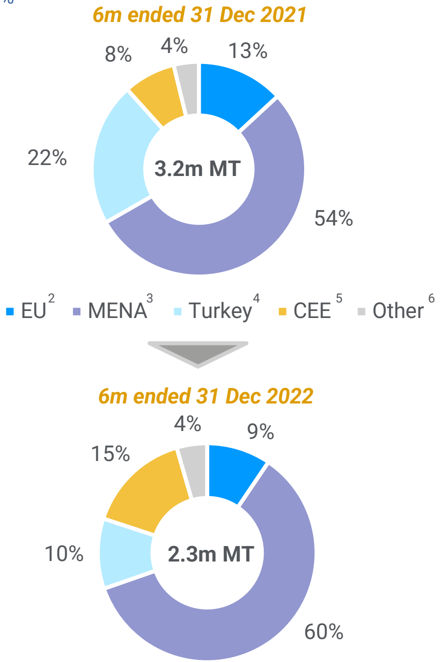
**Attractive end-consumer market in CEE**[1] via bottled oil production and sales

## Key sales destinations



## Sales volume by geography

%



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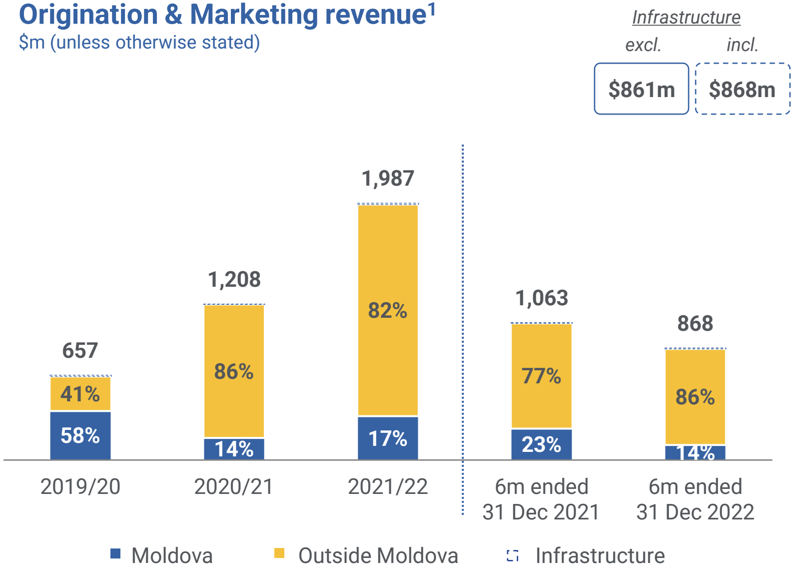
Note: 1 – Including Moldova, Romania, Ukraine, Serbia, Bosnia, Croatia, Montenegro, Macedonia; 2 – Includes Spain, Greece, Italy, Cyprus, Portugal, France, Czech Republic, UK; 3 – Includes the UAE, Iraq, Oman, Egypt, Lebanon, Saudi Arabia, Israel, Ethiopia; 4 – Mostly re-export to US; 5 – Includes Moldova, Romania, Serbia, Albania, Ukraine; 6 – Includes India, Singapore and other. Numbers may not add up due to rounding.

# Origination & marketing: Sustainable revenue and EBITDA

## Origination & Marketing revenue[1]

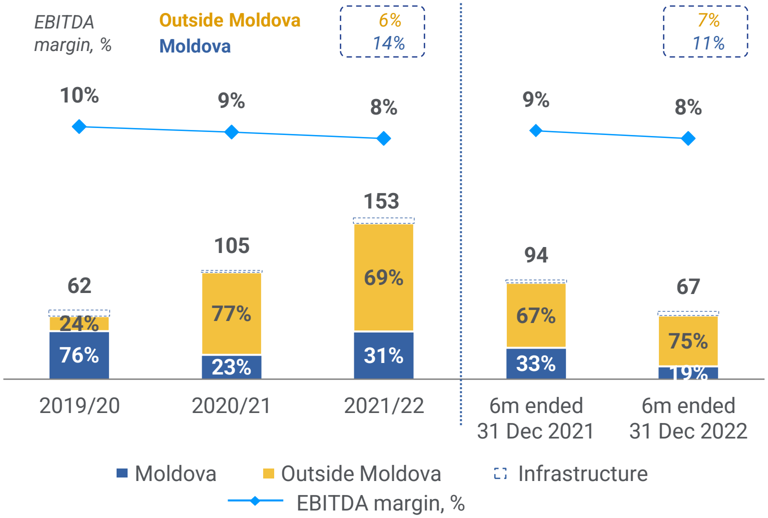
$m (unless otherwise stated)



- The Group continued to demonstrate **strong and sustainable performance** in Origination & Marketing segment amid volatile economic environment in the region, via diversification outside Moldova
- The Group had a moderate **decrease of Origination & Marketing revenue[1] in 1H 2022/23 by -18.4%** on the back of drought in Moldova in 2022

## Origination & Marketing EBITDA and margin[1]

$m (unless otherwise stated)



- Origination & Marketing **EBITDA demonstrated a moderate decrease** (-33.7% in 1H 2022/23) due to drought and farmers seeking higher prices for commodities
- The Group **maintained high profitability** in Origination & Marketing segment
  - Although international operations have lower margins **it has shorter inventories / RMIs cycles**, allowing to generate substantial EBITDA on the same amount of working capital

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*Note: 1 – Including Infrastructure revenue*

# Crushing & refining: Modern crushing plants

## Trans-Oil Refinery

Crushing: ***400 MT/day***

Utilization[1]: ***97%***

## Floarea Soarelui

Crushing: ***1,200 MT/day***

Bottling: ***150 MT/day***

Utilization[1]: ***89%***

## Tandarei

Crushing: ***650 MT/day***

Utilization[1]: ***60%***

## VictoriaOil
(consolidated in June 2021)

Crushing: ***1,200 MT/day***

Bottling: ***300 MT/day***

Utilization[1]: ***97%***

## Crushing plant at Giurgiulesti
(launched in September 2022)

Crushing: ***750 MT/day***

Utilization[2]: ***43%***

***Organic high-oleic sunflower oil***

## Full product range

**Crude vegetable oil**

*Produced from the crushing of sunflower seeds, which is subsequently sold in bulk*

**Organic high-oleic sunflower oil**

*Obtained by purely mechanical pressing of selected oleic acid-rich SFS from controlled organic cultivation*

**Refined oil**

*Crude oil that has gone through refining operations to remove colour, waxes and smell*

**Bottled oil**

*Bottled into different sized plastic containers and sold both domestically and internationally*

**Sunflower meal**

*By-product of the crushing process which is sold as a component for animal feed*

***Strong bottled brands in key markets***

ISKON / FLORIS / *Private label*

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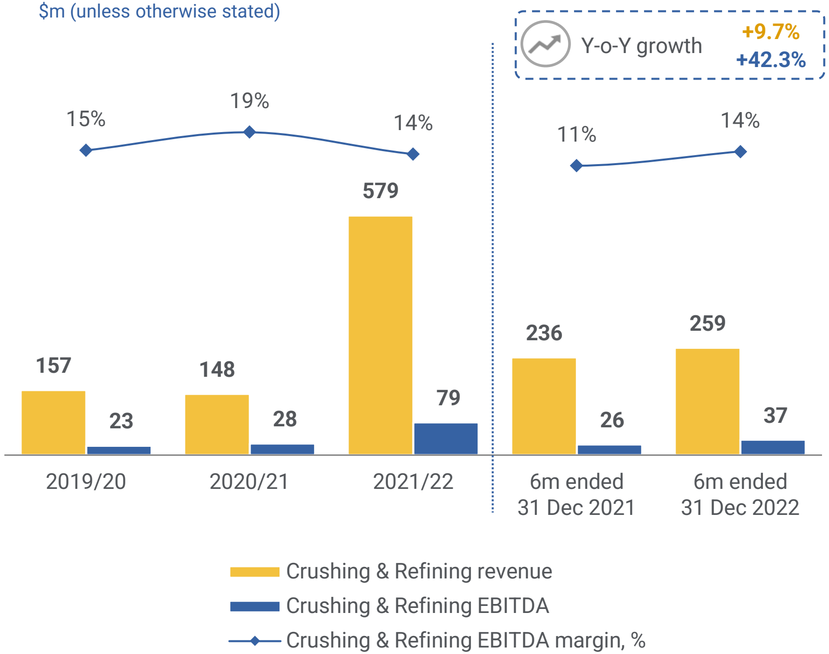
*Note: 1 – in 1H 2023; 2 – semi-annualized utilization rate since launch in Sep 2022*

# Crushing & refining: Strong performance and margins

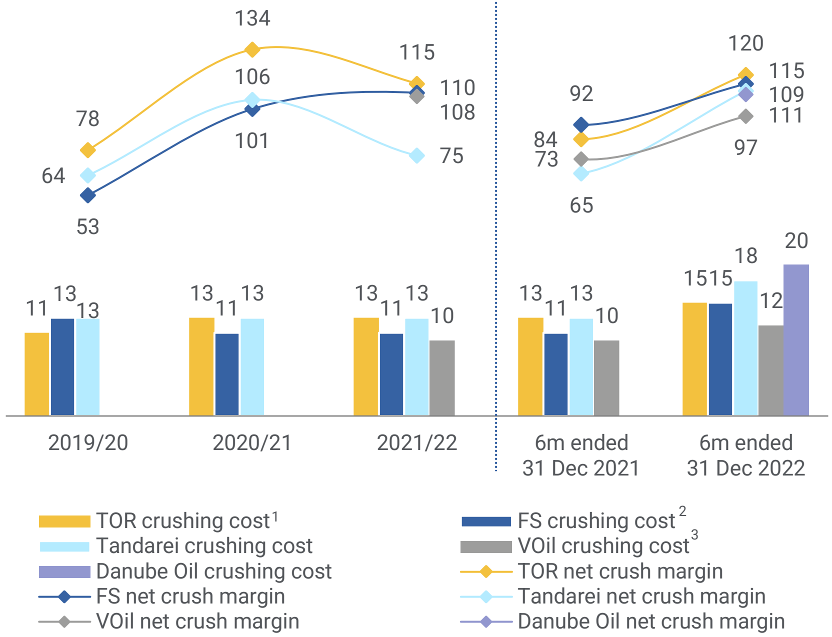
## Improving crushing revenues

$m (unless otherwise stated)



## Increasing crushing margins

$ / MT



- **Utilization at the Group's crushing facilities was high** as the plants were sufficiently supplied with sunflower seeds despite the significant drought in the region
- High SFS oil prices **supported the crushing segment margins** and at the same time the Group managed to **retain high operational efficiency**

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*Note: 1 – Trans-Oil Refinery, 2 – Floarea Soarelui; 3 – Victoria Oil*

# Terminals & infrastructure: Developing Danube hub

## Giurgiulesti (Moldova)

- **Three loading berths** each 150m long
- **442k MT** transshipment volume[1]
- **1,600k MT/year** transshipment capacity
- **90k MT** storage capacity

## Reni (Ukraine)

- **Two loading berths** 101m / 93m long
- **597k MT** transshipment volume[1]
- **800k MT/year** transshipment capacity
- **73k MT** storage capacity

## Pančevo & Bačka Palanka (Serbia)

- **Two** port terminals
- **330k MT** transshipment volume[1]
- **2,000k MT/year** transshipment capacity
- **70k MT** storage capacity

## Constanta (Romania)

- Partnership with **4 terminal operators** at Constanta
- **Service of transshipment agreements** w/o throughput obligations
- **2,000k MT throughput** per year via terminals

**46 inland silos / elevators** connected to the railway network

Fleet of **75 own** and **175 (up to 300 in the peak season) rented railcars**, **30 own trucks**

**3 own river barges** (2 oil tankers & 1 dry bulk river carrier) and **1 handy-max type vessel**

**Origination of grains inland Romania, Serbia and Moldova with the purpose of shipping those goods by railway, trucks and barges to Constanta Terminals and loading Panamax size vessels to final destinations**

Note: 1 – in 1H 2023FY

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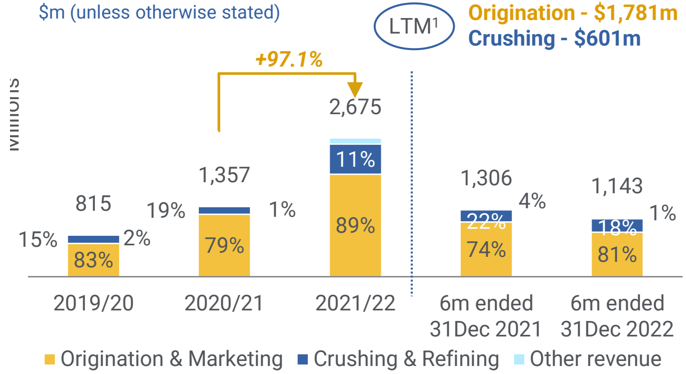
# III. Strong financial performance

# Resilient revenue

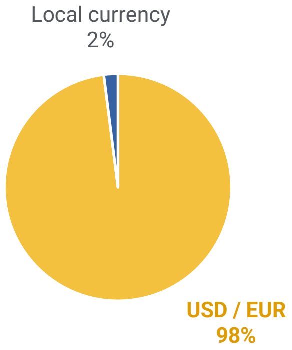
## Revenue breakdown by segment

$m (unless otherwise stated)



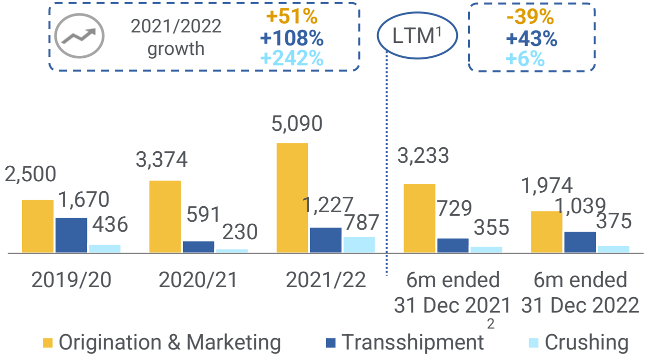
## Revenue breakdown by currency

1H 2022/23, %



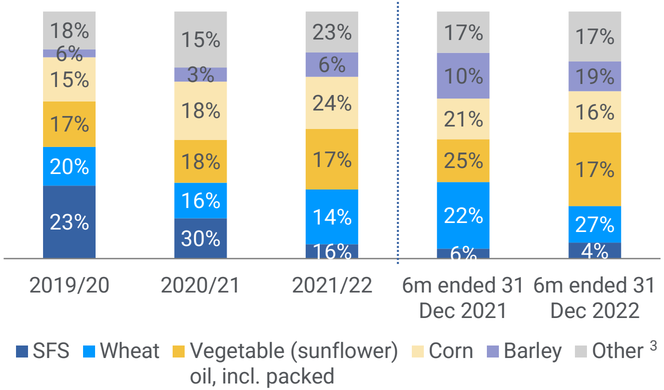
## Marketing, transshipment and crushing volumes

k MT



## Revenue breakdown by product

%



- **The Group's revenue has contracted by only 12% in 1H 2023 (compared to 1H 2022)**
  - Encouraging revenue resilience in transshipment (+43%) and crushing (+6%) segments
- **98% of revenue comes from export operations and is denominated in USD / EUR**
- **Revenue is well-diversified across key commodities traded**
- **Trans-Oil has the flexibility to quickly shift its focus between business segments** with higher margin, depending on market prices of crops and refined products

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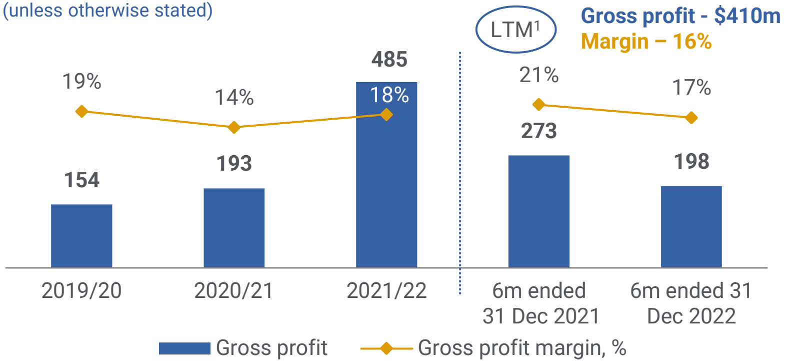
*Note: 1 – The last twelve months ended 31 December 2022; 2 – Includes volumes from Origination & Marketing and volumes at Reni and Giurgiulesti ports, excluding any outside foreign operations; 3 – Includes: rapeseed, SFS meal, soya, pea, soybean meal*

# High sustainable margins

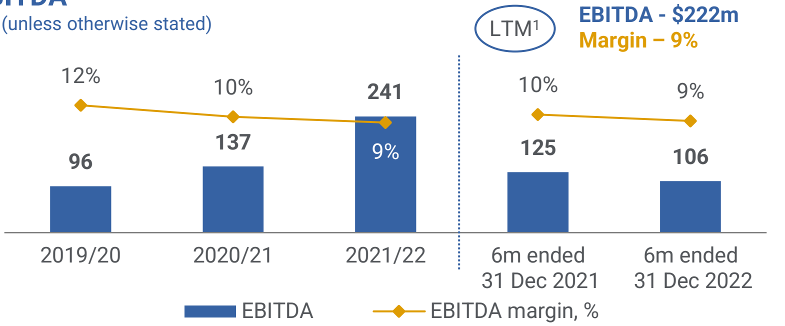
## Gross profit

$m (unless otherwise stated)



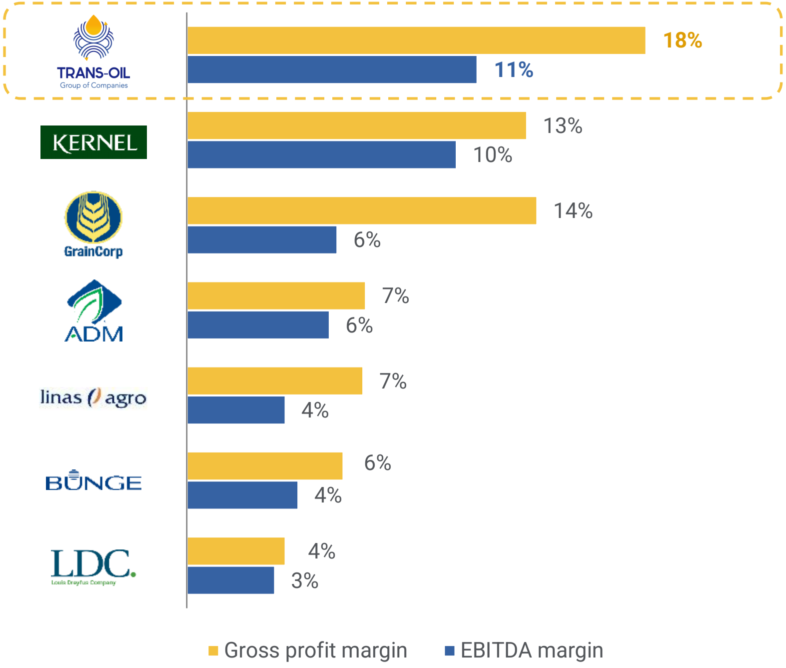
## EBITDA

$m (unless otherwise stated)



## Gross profit and EBITDA margins vs. peer companies

FY2018/2019 – LTM 1H 2022/23 average[2], %



- Despite unfavorable economic and climatic conditions, **the Group EBITDA margin has remained resilient at 9% in 1H 2023**
- **The Group remains one of the highest margins operators** compared to peer companies

---

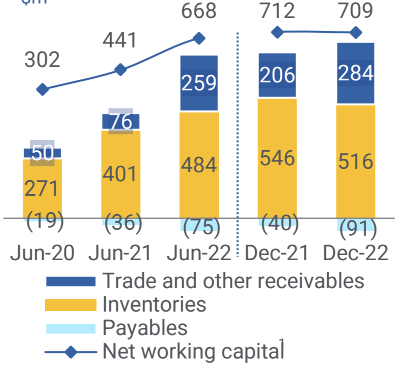
*Note: 1 – The last twelve months ended 31 December 2022; 2 – The last twelve months ended 31 Dec 2022, for FY ended 30 June 2022 for Linas Agro, for 12 months ended 30 Sep 2022 for Kernel*

*Source: IFRS financial statements of companies for the twelve months ended 31 Dec 2022, for the half a year ended 31 Dec 2022, for the three months ended 30 Sep 2022, for FY2020/21, FY2021/22*

# Working capital

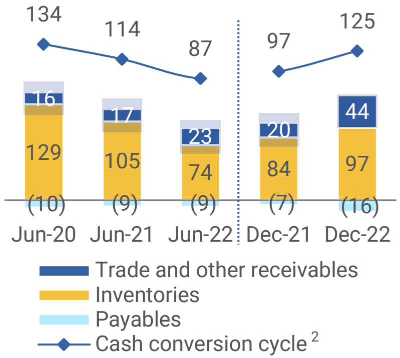
## Net working capital

$m



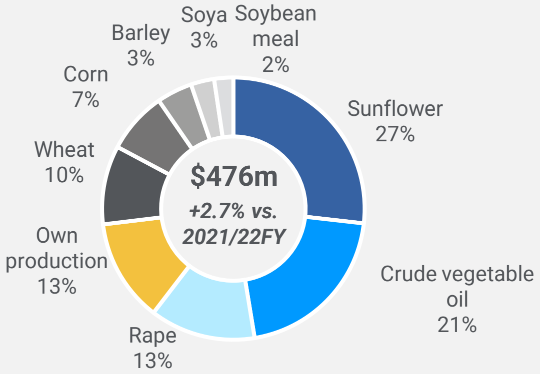
## Cash conversion cycle

Days

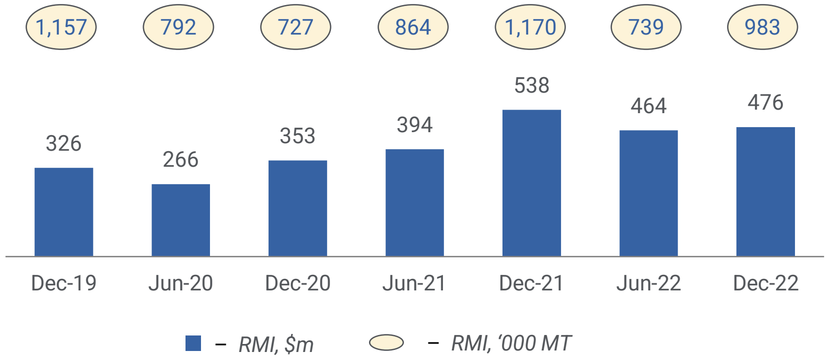


## RMI breakdown[3]

31 December 2022



## RMI cycles



- As of 31 December 2022, net working capital and RMIs balances have increased due to higher commodity prices
- **RMIs are usually cyclical throughout the year** with the lowest volume in summer months and highest in November-February
- Slower cash conversion in 1H 2022/23 is due to a **higher proportion of domestic purchases in Moldova and Ukraine** (including SFS), which are typically held in inventory, compared to international purchases with shorter purchase delivery cycles
- RMIs comprise **highly liquid market-grade agricultural inventories,** namely wheat, corn and other grains, oilseed, vegetable oils and meal and other agricultural commodities
- **Ca. 88% of RMIs are sold under physical forward contracts**

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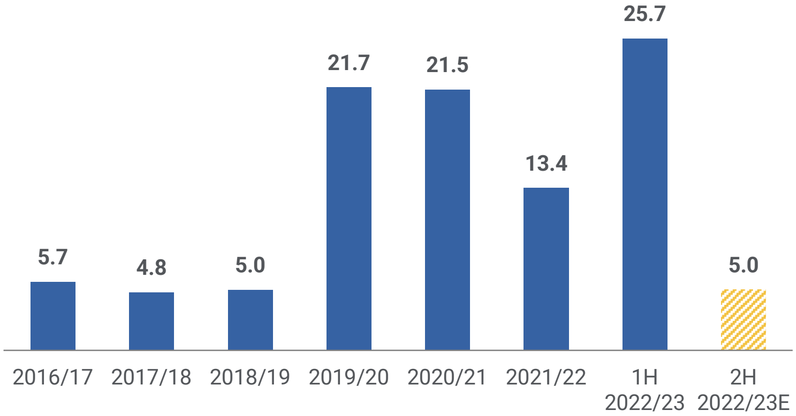
*Note: 1 – Calculated as the working capital less sum of advances to suppliers and cash and cash equivalents; 2 – Calculated as the sum of the trade and other receivables conversion cycle, the inventories conversion cycle less the payables conversion cycle; 3 – Grains & Oilseeds purchased for resale and the Group's own production as per note 10 to the Group's Consolidated Financial Statements*

# Continuous investments across business lines

## Historical CAPEX

$m



## CAPEX breakdown in 2019/20 – 1H 2022/23

| $m | 2019/20 | 2020/21 | 2021/22 | 1H 2022/23 |
|---|---|---|---|---|
| **Expansionary CAPEX** | **21.2** | **20.5** | **11.9** | **23.7** |
| Storage facilities | 1.0 | 0.0 | 0.0 | 0.0 |
| Railcars | 6.9 | 0.0 | 0.0 | 0.0 |
| New crushing facility (in Giurgiulesti port) | 0.0 | 20.5 | 11.9 | 4.6 |
| River fleet | 0.0 | 0.0 | 0.0 | 19.1 |
| **Maintenance CAPEX** | **0.6** | **1.0** | **1.5** | **2.0** |
| **Total** | **8.5** | **21.5** | **13.4** | **25.7** |

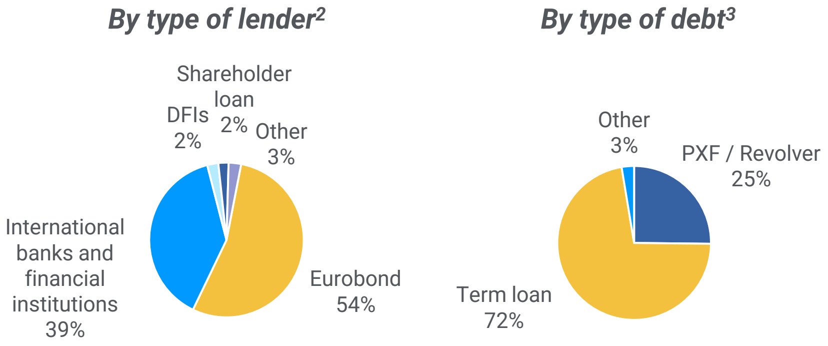
- **Trans-Oil has actively invested across all business lines** in order to maintain and support further development of the business. CAPEX for 2019/20 – 1H 2022/23 included:
  - **Crushing plant in the Giurgiulesti port** ($37m)
  - **River fleet** of two dry cargo river barges, one river oil tanker and a handy-max dry cargo motor vessel ($19.1m)
  - **Purchase of 100 new railcars** ($6.9m)
  - **Maintenance** CAPEX ($5.1m)
- Any expenses related to maintenance of the Group facilities are usually reflected in the Group income statement

# Strong credit track record and ongoing deleveraging

- Substantially strengthened funding profile with the new **5-year $500m new Eurobond and 2 taps placement** in April / June / September 2021, extending debt maturity
  - 62% of the portfolio represents long term loans with over 4-year maturity
  - The new Eurobond was used to refinance the old $300m Eurobond and replenish of LT working capital funding
- Over the last several years the Group's debt metrics have been gradually improving
  - Adj. Net debt[1] / EBITDA ratio to 2.0x in Dec-22 LTM
  - Fixed charges and Interest coverage ratios were 2.9x and 3.6x in Dec-22 LTM
- **As of 31 December 2022, adj. Net debt stood at $455.2m** with Total (balance sheet) debt of $906.8m, Cash and cash equivalents of $73.5m, Shareholders' loans of $20.8m and 75% of RMIs of $357.3m (100% - $476.4m)

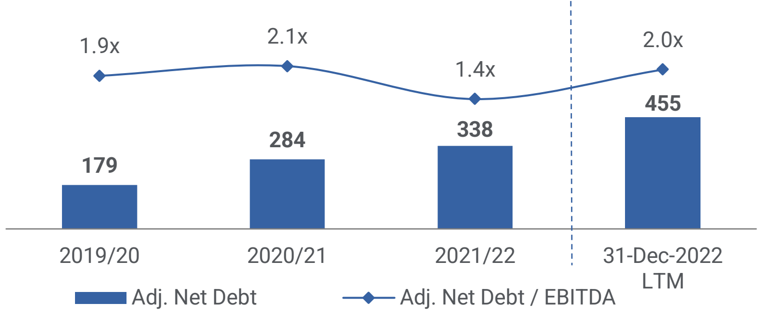
## Debt breakdown

As of 31 December 2022



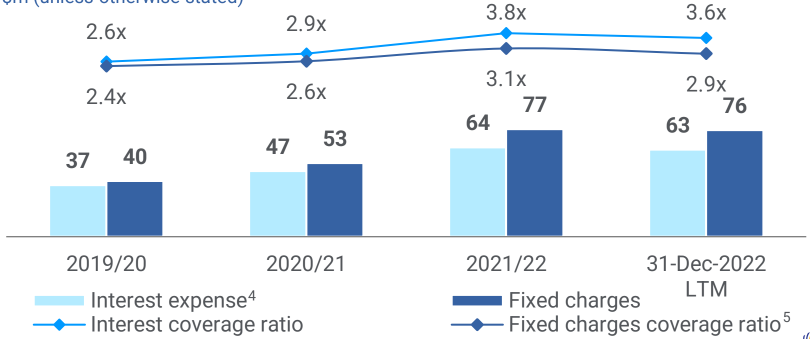
## Adj. Net debt[1] / EBITDA

$m (unless otherwise stated)



## Fixed charges and interest coverage ratios

$m (unless otherwise stated)



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*Note: 1 – Net Debt excluding 75% RMI and non-interest bearing subordinated shareholder loan; 2 – International banks and financial institutions include AIK Bank, FMO, TradeX, Horizon, ING, Syndicate of banks (Erste, Raiffeisen, UCB and OTP); DFIs include IIB; Shareholder loan includes non-interest bearing subordinated shareholder loan from Vaja Jhashi and OCM, with fair value adjustment; 3 – Revolver loan is represented by self-liquidating facilities; term loan includes amortising loans and loans with bullet repayment; 4 – Calculated as sum of interest expense, interest on bonds issued; 5 – Calculated as EBITDA for the last twelve months divided by Fixed charges (Sum of interest expense, loan commissions, bank commissions, interest on bonds issued, lease interest expenses and amortization of bonds issued costs)*

TRANS-OIL
Group of Companies

# Appendix

# Trans-Oil Group history

**Trans-Oil has been constantly growing through market consolidation and vertical integration building a leading agri-industrial business in CEE**

## 1997-2008

***Launch of global marketing operations***

**1997-1998**

- Trans-Oil Ltd, a US based company, is established by Mr. James Kelley
- Trans-Oil acquires the biggest elevator in Moldova

**2004-2008**

- Mr. Vaja Jhashi acquires Trans-Oil
- Financial headquarters moves to Switzerland

## 2009-2012

***Market consolidation and launch of crushing business***

**2009**

- Launch of port facilities located in Giurgiulesti International Port

**2010**

- Launch of the first crushing plant Trans-Oil Refinery

**2011**

- Acquisition of WJ Group and obtaining control over the biggest Moldovan crushing plant Floarea Soarelui

## 2013-2017

***Modernization and improving profitability***

**2014**

- Acquisition of two port terminals in Reni, Ukraine

**2016**

- Expansion of port facility in Giurgiulesti

**2017**

- Launch of e-trade platform for agricultural producers

## 2018-2022

***Expansion and further vertical integration***

**2018**

- The Group's Board of Directors appointed
- Credit ratings obtained (first in Moldova for corporate issuer)

**2019**

- Debut $300m Eurobond issue
- Oaktree Capital Management became a minority shareholder
- Acquisition of Romanian crushing plant

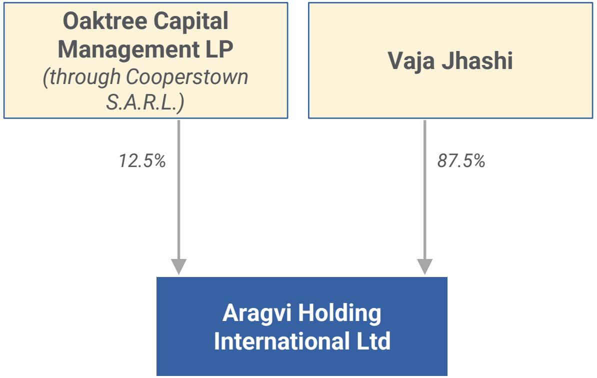
**2020-2022**

- Record revenues and EBITDA achieved
- CEE regional expansion
- VictoriaOil was consolidated into the Group
- Relocation of HQ to Romania
- Acquisition of two targets in Serbia
- Creation of own river fleet

# High corporate governance standards

## Shareholders’ structure

as of 31 December 2022



**Oaktree Capital Management LP** *(through Cooperstown S.A.R.L.)*

**Vaja Jhashi**

*12.5%*

*87.5%*

**Aragvi Holding International Ltd**

- **Oaktree Capital Management** has acquired a **12.5% interest** in Aragvi Holding International Ltd on 18 June 2019
  - Oaktree Capital management is a **leading American global asset management firm** specializing in alternative investment (including private equity)

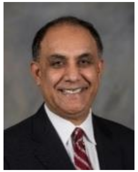
## Board of Directors

**Vaja Jhashi**
*CEO and Founder of Trans-Oil Group*

- Graduated from Moscow State University and Cairo University, holds MBA degree from Indiana University

***Tommy Gade Jensen***
*Non-executive Director*

- Senior Advisor at Oaktree Capital Management responsible for Agri & Food sector
- Previously CEO of Bunge EMEA in 2012-2017 and held various senior management positions at Bunge since 2003



**Asif Chaudhry**
***Independent Director***

- Vice-President for International Programs in Washington State University
- Formerly US ambassador to Republic of Moldova in 2008-2011, Vice-President of Commodity Credit Corporation of Foreign Agricultural Services in 2006-2008

**Stephane Frappat**
***Independent Director***

- Independent BoD member of United Grain Company, Chairman of the Board of Directors at Novorossiisk Wheat Mill
- Formerly CEO at Sodrugestvo Group

**Alain Stephane Dorthe**
***Independent Director***

- Formerly Head of Credit Division, First Vice-President, at Banque de Commerce et de Placements (BCP), Genève
- Formerly Head of internal audit, Senior Vice-President at Discount Bank & Trust Company and Credit Director at UBS Zurich

**Cem Osmanoglu**
***Independent Director***

- Independent financial consultant
- Formerly Head of Trade Finance Department at BCP Banque de Commerce et de Placements

# Strong international management team


28+

**Vaja Jhashi**

**CEO and Founder of Trans-Oil Group**

*Graduated from Moscow State University and Cairo University; Holds MBA degree from Indiana University*


30+

2003

**Thierry Beaupied**

**Chief Operating Officer**

*Previously trader at Plantureaux SA, Lesieur Group and Louis Dreyfus*

*Graduated from Maritime College of La Rochelle*


19+

2000

**Evgeniya Ursu**

**Chief of Treasury and Finance**

*Graduated from London Metropolitan University (Business Law); Master's degree from Moscow State University/ EIIS (Marketing and PR); MBA from University of Chicago Booth School of Business*


22+

2014

**Radu Musinschi**

**Regional Director for Romania and Balkans**

*Previously head of acquisition/LBOs and project finance at Raiffeisen Bank Romania*

*Graduated from Moldova State University; Master's degree from National School of Political and Administrative Studies in Romania; MBA at the University of Cambridge*[1]


12+

2012

**Oleg Lupasco**

**Head of Corporate Finance**

*Previously finance director in media industry*

*Graduated from University of Leicester (Finance); MBA degree at University of Chicago Booth School of Business*


21+

2019

**Daniel Ruiz**

**Head of Global Funding and Business Development Solutions**

*Previously worked in BCGEe, BNP Paribas, Societe Générale*

*Graduated from the University of Geneva*


17+

2023

**Procop Buruiana**

**Group Head of Legal**

*Holds an LLM and JD degree (Washington University in St. Louis, USA), an LLM degree (University of Warwick, UK) and an LLB degree (Babes-Bolyai University, Romania)*


10+

2014

**Vitali Butnaru**

**Head of IFRS Reporting**

*Previously worked in Audit Department with Deloitte Central Europe*

*Graduated from Academy of Economic Studies from Moldova. Member of ACCA*


32+

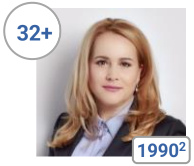
2020

**Alex Hanson**

**Chief Risk Officer**

*Previously Risk Director at CHS Intl.*

*Has a BSc. (First Class Honours Degree) in Applied Chemistry from Kingston Polytechnic*


32+

1990[2]

**Stela Ostrovetchi**

**Head of Oil Refinery operations in Moldova**

*Graduated from Balti State University (Technical disciplines) and the Academy of Economic Studies in Moldova*


13+

2010[3]

**Sinisa Kosutic**

**Head of VictoriaOil refinery**

*Previously worked in Credit Agricole, Komercijalna bank*

*Graduated from the University of Belgrade (Economics)*

○ **Years of experience** ▭ **Year of joining the Group**

---

*Note: 1 – From Judge Business School at the University of Cambridge; 2 – Year of joining Floarea Soarelui; 3 – Year of joining VictoriaOil*

# Commitment to the community and environment

## Environmental

| | 2015/16 | 1H 2022/23 |
|---|---|---|
| CO2 Emission Intensity, *Kg $CO_2$/t of Output* | 38 | **33** |
| Water Usage Ratio, *Litres/t of Output* | 186 | **173** |
| Energy Usage Ratio, *Mj/t of Output* | 520 | **369** |
| Waste Recycling Rate | 94.5% | **98%** |

**ZERO** Environmental and Technogenic Incidents

Best practice **Environmental, Health and Safety standards** in place (IFC/EBRD compliant)

## Focus on Organic

Construction of Giurgiulesti plant for **premium organic SFS oil production**

*Launched in Sep-22*

Exclusive **contracts with organic certified farmers** in Moldova

| | 2015/16 | 1H 2022/23 |
|---|---|---|
| Employee turnover rate | 25% | **24%** |
| Employee training, *Hours* | 12 | **12** |

The **largest employer** with ca. **2,743** of employees across Moldova

| | |
|---|---|
| Employees with disabilities rate | **2%** |
| Women employment rate | **28%** |
| Number of severe accidents in last *3 years / 5 years* | **1/1** |
| Number of fatalities in last *3 years / 5 years* | **0/1** |

## Employees

Organizing **public events for children**

**~$115m invested** in the **local asset infrastructure** since June 2012

Pre-crop loan facility with limit of **$43m supporting Moldovan farmers**

**Tree planting, antilitter** activities, public **roads repair**

## Communities

# Working capital: Readily marketable inventory (RMI) concept

**RMI concept is being widely used by commodity trading companies**

**RMI usually includes agricultural commodities and their derivatives (e.g., vegetable oils, meal, grains, oil seeds, etc.) that have been purchased or produced with the intent to be sold**

**In order to be treated as RMIs, inventories must meet the following criteria:**

- ✓ The inventory is "pre-sold"
- ✓ The inventory could realistically be liquidated within 30 days (whatever the ultimate terms of the trading position)
- ✓ The inventory is not held for processing purposes
- ✓ The proceeds of any inventory liquidation are used for debt repayment
- ✓ These are regularly traded on international markets and current prices can be obtained from market data

**RMIs are also considered as readily convertible into cash**

**Given the nature of our business and the fact that our traded commodities portfolio exactly meets the prerequisites of RMIs concept, the Group applies the same concept**

# Working capital: Adjusted net debt concept

- Given the limitations of commodity trading companies' public and global capital disclosures, their relative short history on global capital markets and the complexity of their businesses, **the concept of adjusted net debt has been introduced and widely used**
  - ✓ We believe that commodity traders’ capital structure can raise confidence-sensitivity risks in certain scenarios, by making creditors more inclined to overreact to the size of their debt exposure
  - ✓ The concept of Adjusted net debt aims to help creditors better assess the credit risks related to the commodity trading business

- **In order to properly determine the debt nature and debt repayment capacity of commodity trading companies, certain amount of RMIs is being deducted from the total debt**

- **Such netting is made against the total debt, not just short-term debt that is actually used by commodity traders in most cases to finance RMIs**
  - ✓ In order to account for any margin losses in case of inventory accelerated liquidation we apply a discount of 25% to the RMIs for the purpose of determining net debt position

# Key financial indicators

## Balance sheet

| $m (unless otherwise stated) | 2019/20 | 2020/21 | 2021/22 | 6m ended 31 Dec 2022 |
|---|---|---|---|---|
| Property, plant and equipment | 276 | 363 | 407 | 427 |
| Goodwill | 49 | 49 | 49 | 49 |
| Inventories | 271 | 401 | 484 | 516 |
| Forward contracts | 88 | 115 | 31 | 99 |
| Trade receivables and advances | 112 | 157 | 380 | 462 |
| Cash and cash equivalents | 60 | 67 | 79 | 74 |
| Other assets | 3 | 4 | 3 | 2 |
| **Total assets** | **860** | **1,156** | **1,432** | **1,628** |
| Borrowings | 453 | 666 | 785 | 907 |
| *incl. Shareholder’s loan* | *14* | *19* | 20 | 21 |
| *incl. Bonds issued and Bond premium* | *289* | *437* | 490 | 491 |
| Deferred tax liabilities | 23 | 26 | 33 | 33 |
| Advances received | 0 | 0 | 0 | 0 |
| Trade and other payables | 19 | 36 | 75 | 91 |
| Other liabilities | 32 | 46 | 19 | 19 |
| **Total liabilities** | **528** | **774** | **911** | **1,049** |
| **Total equity** | **332** | **382** | **521** | **579** |
| **Total equity and liabilities** | **860** | **1,156** | **1,432** | **1,628** |

### Key financial indicators

| | | | | |
|---|---|---|---|---|
| Net Debt, $m | 393 | 599 | 706 | 833 |
| Adjusted Net Debt, $m | 179 | 284 | 338 | 455 |
| RMIs, $m | 266 | 394 | 464 | 476 |
| 75% of RMIs, $m | 200 | 296 | 348 | 357 |

## Income statement

| $m (unless otherwise stated) | 2019/20 | 2020/21 | 2021/22 | 6m ended 31 December | | |
|---|---|---|---|---|---|---|
| | | | | 2021 | 2022 | LTM |
| **Revenue** | **815** | **1,357** | **2,675** | **1,306** | **1,143** | **2,513** |
| **Gross profit** | **154** | **193** | **485** | **273** | **198** | **411** |
| margin, % | 19% | 14% | 18% | 21% | 17% | 16% |
| Other income | 1 | 8 | 17 | 13 | 3 | 7 |
| Selling and distribution costs | (59) | (61) | (240) | (147) | (87) | (180) |
| General and administrative expenses | (11) | (13) | (23) | (9) | (14) | (27) |
| Other gains / (losses), net | (2) | (4) | (7) | (4) | (7) | (9) |
| **Operating profit** | **84** | **123** | **232** | **125** | **94** | **201** |
| Finance income and costs, net, of which: | (42) | (99) | (65) | (32) | (29) | (62) |
| Interest expense | (37) | (47) | (64) | (32) | (30) | (63) |
| Fixed charges | (40) | (53) | (77) | (37) | (36) | (76) |
| **Profit before income tax** | **42** | **24** | **167** | **93** | **65** | **139** |
| **Profit for the year** | **40** | **14** | **146** | **81** | **57** | **123** |
| **EBITDA** | **96** | **137** | **241** | **125** | **106** | **222** |
| margin, % | 12% | 10% | 9% | 10% | 9% | 9% |

### Key financial ratios

| | | | | | | |
|---|---|---|---|---|---|---|
| Adjusted Net Debt / EBITDA, x | 1.9x | 2.1x | 1.4x | - | 2.0x | 2.0x |
| Interest coverage ratio, x | 2.6x | 2.9x | 3.8x | - | 3.5x | 3.6x |
| Fixed charges coverage ratio, x | 2.4x | 2.6x | 3.1x | - | 3.0x | 2.9x |

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