INNOVATIONS + MANAGEMENT + COMMITMENT

Annual report

For the year ended 31 December 2024

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CONSOLIDATED MANAGEMENT REPORT

Group overview

Who we are

IMC is an integrated agricultural business operating in Ukraine. In May 2011 IMC conducted IPO on Warsaw Stock Exchange. The main areas of IMC's activities are:

- cultivation of grain & oilseeds crops
- storage of grain & oilseeds crops

IMC is among Ukraine's top-10 agricultural companies.

Land bank location and infrastructure

- 116 ths hectares in prime fertile farming regions of Ukraine.
- High concentration of land plots within the clusters (average distance between fields up to 20 km).
- Developed and self-sufficient farming infrastructure:
  - own storage capacities for grain and oilseeds
  - logistic infrastructure
  - own machinery park

IMC's

Mission	IMC is Ukrainian agricultural company that provides the world with quality and safe food
Vision	IMC is an efficient agricultural company, a reliable and responsible partner for all stakeholders.
Values	Professionalism, Responsibility, Team-work; Effectiveness, Initiative, Commitment; Honesty, Respect, Tolerance

Strategies

IMC SMART GREEN STRATEGY 2023-2033
Strategic directions:
- Operational efficiency improvement
- Fossil fuel consumption decrease
- Greenhouse Gas emission reduction
- Preservation of Soil fertility & health
- Investments in the acquisition of agricultural land in Ukraine
- Personnel development
- Local communities support

Key facts 2024

116 ths.ha
Land bank

554 ths.t
Grain & oilseeds storage capacities

864 ths.t
Production of grain & oilseeds*
**harvested in 2024*

USD 211 mln
Revenue

USD 86 mln
EBITDA

Business model

INPUT

People
Professional and talented employees

Knowledge
Unique agronomic and industrial knowledge

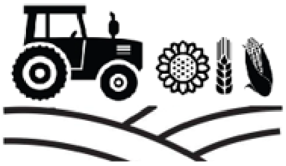
Land
116 ths.ha in prime fertile farming regions of Ukraine

Infrastructure
- 554 ths.t of own storage capacities for grain and oilseeds
- logistic infrastructure, own park of truks and grain railway wagons
- own machinery park of high capacity

Financials
Strong track record
High credit rating

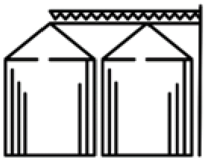
Materials
Seeds, fertilizers and crop-protecting products from the best national and foreign manufacturers

Brand
Quality and reliability



CROP FARMING

- Land bank divided into 5 clusters
- Modern machinery park
- Sustainable agronomic practices
- Precision farming
- Strong export orientation in sales



ELEVATORS and WAREHOUSES

- Location in close proximity to its operations in each of clusters
- Satisfaction of 100% of the Company's storage needs with sufficient capacity to meet its projected increased production in the short-term

Strong export orientation in sales

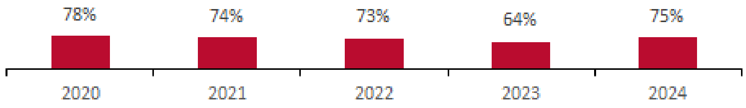
EXPORTED CROPS

Corn Wheat

EXPORT DESTINATIONS

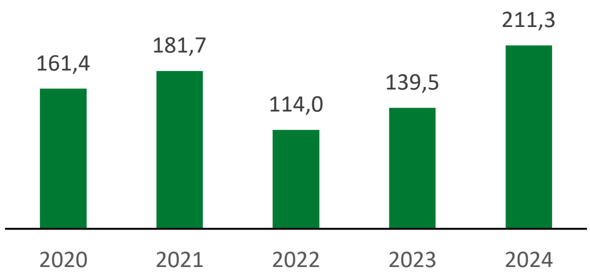
Asia EU Northern Africa Middle East

SHARE OF EXPORT REVENUE

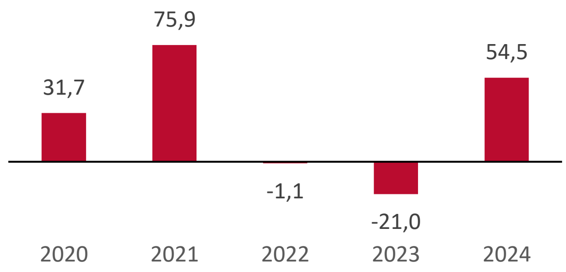


Key performance indicators

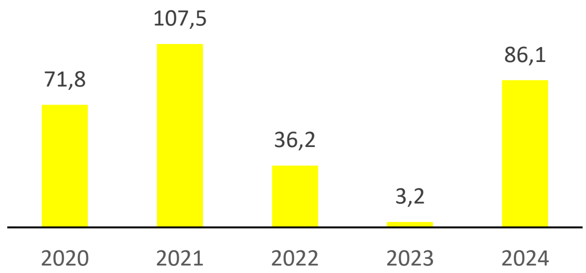
Revenue, mln. USD



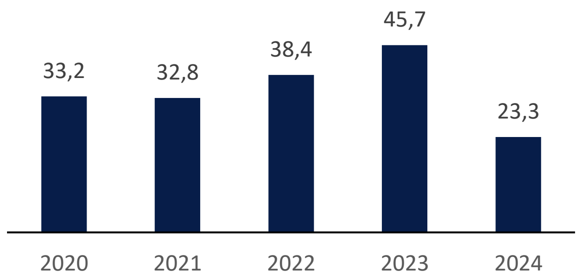
Net profit, mln. USD



EBITDA, mln. USD



Debt, mln. USD



Key Ratios

	2020	2021	2022	2023	2024
Current ratio	2,3	2,8	2,7	2,5	3,9
Net Borrowings/Equity	0,1	0,0	0,1	0,2	(0,1)
Net Borrowings/EBITDA	0,2	0,0	0,4	9,2	(0,2)
Interest coverage	24,1	108,8	25,4	(12,2)	54,9
Equity/Assets	0,5	0,5	0,5	0,5	0,6

Strategic and forward-looking

Group strategy

IMC SMART GREEN STRATEGY 2023-2033

Strategic directions:

- Operational efficiency improvement
- Fossil fuel consumption decrease
- Greenhouse Gas emission reduction
- Preservation of Soil fertility & health
- Investments in the acquisition of agricultural land in Ukraine
- Personnel development
- Local communities support

Further likely development

Further likely development of the Group in 2025 will depend on the dynamics and scale of the war against Ukraine.

As of the time of issuing this report, we focus on the following tasks:

- Focusing on three crops - corn, sunflower and wheat. Area under these crops is planned as 56%, 21% and 18% of the total crop mix in 2025 (55%, 20% and 17% in 2024 respectively);
- Focusing on business efficiency - we expect that implementation of our Research & Development department results will optimize production efficiency in 2025;
- Debt maintenance at the level of USD 15,2 million at the end of 2025 (USD 23,3 million at the end of 2024);
- Compliance with safety rules and retention of IMC personnel;
- Focusing on export sales throught sea ports and maintaining a constant share of shipments by rail;
- Using certified seeds, crop protection products and fertilizers from leading world manufacturers.

Financial and operational results

World economy

WHEAT

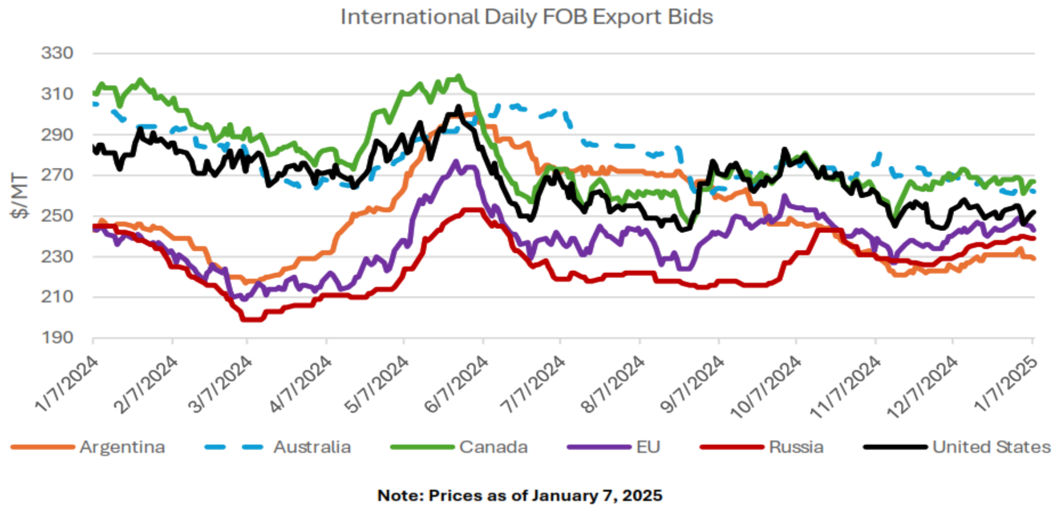
According to USDA report “Grain: World Markets and Trade”, January 2025, in 2024/2025 MY:

- World wheat ending stocks are forecast to be the lowest in 5 consecutive years
- Ukraine ranks # 6 in the ranking of the world's largest wheat exporters with a share of 7.5% of global wheat exports

Wheat	2023/24	2024/25	Y-o-Y,%
World Production	791 021	793 238	0,3%
World Consumption	797 827	801 890	0,5%
World Trade (export/import)	224 122	212 313	-5,3%
World Ending Stocks	267 467	258 815	-3,2%

Source: USDA report “Grain: World Markets and Trade”, January 2025

Wheat prices



Source: International Grains Council
*Note on FOB prices: Argentina- 12.0%, up river; Australia- average of APW; Kwinana, Newcastle, and Port Adelaide; Russia - Black Sea- milling; EU- France grade 1, Rouen; US- HRW 11.5% Gulf; Canada- CWRS (13.5%), Vancouver.

CORN

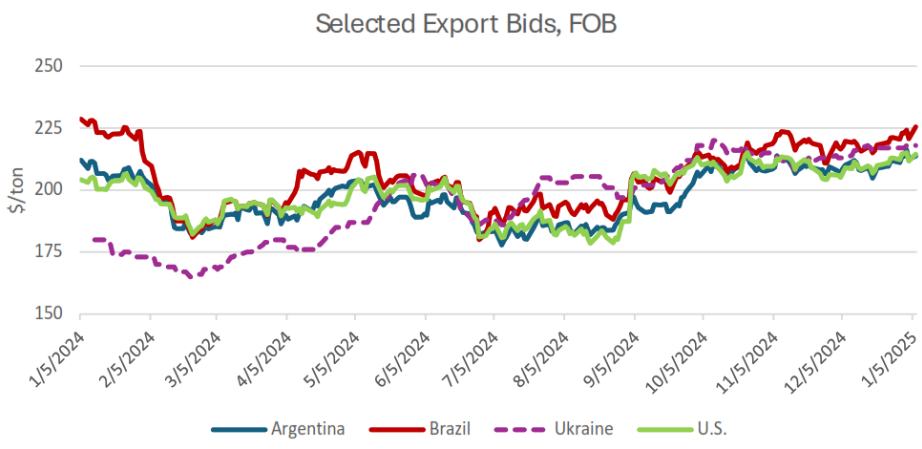
According to USDA report "Grain: World Markets and Trade", January 2025, in 2024/2025 MY:

- Ukraine ranks #4 in the ranking of the world's largest corn exporters with a share of 12% in global corn exports

Corn	2023/24	2024/25	Y-o-Y,%
World Production	1 230 007	1 214 345	-1,3%
World Consumption	1 217 218	1 238 469	1,7%
World Trade (export/import)	197 852	189 722	-4,1%
World Ending Stocks	317 462	293 338	-7,6%

Source: USDA report "Grain: World Markets and Trade", January 2025

CORN PRICES



Source: International Grains Council

Ukrainian economy

2024 GDP and Inflation

According to preliminary estimates of the Ministry of Economy of Ukraine in 2024 Ukraine's GDP increased by 3.6%.

In 2024, inflation in Ukraine increased to 12% compared to 5.1% in 2023, reported State Statistics Service of Ukraine.

2024 Grain, Leguminous and Oilseeds harvest in Ukraine

According to the Ministry of Agrarian Policy and Food of Ukraine, as of November 22, 2024, Ukrainian agrarians harvested 98% of the projected areas for the 2024 harvest. 72.9 mln tonnes of grains and oilseeds were harvested (53.4 million tonnes of grains and almost 19.5 million tonnes of oilseeds) from an area of 19.5 mln hectares.

In particular:

- wheat - 4.9 million hectares (or 100%) were harvested, crop - 22.4 million tonnes
- barley - 1.4 million hectares (or 100%) were harvested, crop - 5.6 million tonnes;
- peas - 212.3 ths hectares (or 100%) were harvested, crop - 469 ths tonnes;
- corn - 3.7 million hectares (or 94%) were harvested, crop - 23.6 million tonnes;
- millet - 88.2 ths hectares (or 97%) were harvested, crop - 161.3 ths tonnes;
- buckwheat - 88.1 ths hectares (or 99%) were harvested, crop - 131.7 ths tonnes;
- sunflower - 4.9 million hectares (or 97%) were harvested, crop - 10.1 million tonnes;
- soybeans - 2.6 million hectares (or 99%) were harvested, crop - 6 million tonnes;
- rapeseed - 1.2 million hectares (or 100%) were harvested, crop - 3.5 million tonnes.

2024 Grain export from Ukraine

In 2024, the agricultural sector generated 59,3% ($24,7 bln) of foreign exchange earnings from the export of goods from Ukraine, reported the Ministry of Agrarian Policy and Food of Ukraine. Agricultural export in 2024 grew by 8.9% compared to 2023.

In particular, the exports amounted to:

- grain crops - $9.4 billion (13.4% more than in 2023);
- oilseeds - $3.4 billion (20.4% more than in 2023);
- vegetable oil - $5.7 billion (1.9% more than in 2023);
- natural honey - $167 million (37.5% more than in 2023).

In 2024, Ukraine exported 53.9 million tonnes of grain, up 20% from 2023, according to the State Customs Service of Ukraine.

Financial and operational results

The following table sets forth the Company's results of operations derived from the Consolidated financial statements:

(in thousand USD)	For the year ended 31 December 2024	For the year ended 31 December 2023	Changes, %
CONTINUING OPERATIONS			
Revenue	211 288	139 453	52%
Gain from changes in fair value of biological assets and agricultural produce, net	75 777	15 242	397%
Cost of sales	(177 970)	(132 710)	34%
GROSS PROFIT	**109 095**	**21 985**	**396%**
Administrative expenses	(10 334)	(9 666)	7%
Selling and distribution expenses	(31 435)	(23 994)	31%
Other operating income	2 926	1 444	103%
Other operating expenses	(2 417)	(3 323)	-27%
Write-offs of property, plant and equipment	(25)	(41)	-44%
Reversal of impairment of property, plant and equipment	-	390	-100%
Impairment of property, plant and equipment	-	(184)	-100%
OPERATING PROFIT/(LOSS)	**67 810**	**(13 389)**	**-606%**
Financial expenses, net	(1 235)	(1 110)	11%
Financial effect of lease of right-of-use assets	(6 747)	(5 396)	25%
Foreign currency exchange (loss)/gain, net	(4 501)	(1 185)	280%
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**55 327**	**(21 080)**	**-362%**
Income tax expenses, net	(789)	50	-1678%
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**54 538**	**(21 030)**	**-359%**
Normalised EBITDA	**86 111**	**3 422**	**2416%**

The increase in normalised EBITDA in Y2024, as well as the increase in net profit for the period, is due to increase in sales volumes and grain and oilseeds prices during the period.

Revenue

The Company's revenue from sales of finished products increased by 52% in Y2024 in comparison with previous period.

The following table sets forth the Company's sales revenue by products indicated:

(in thousand USD)	For the year ended 31 December 2024	For the year ended 31 December 2023	Changes, %
Corn	107 854	99 522	8%
Sunflower	46 454	17 062	172%
Wheat	56 005	22 059	154%
Other	847	590	44%
	211 160	**139 233**	**52%**

The most significant portion of the Company's revenue comes from selling corn, which represented 51,1% in Y2024 and 71,4% in Y2023 of total revenue.

The following table sets forth the volume of the Company's main crops and revenues generated from the sales of such crops:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Corn		
Sales of produced corn (in tonnes)	669 121	593 946
Realization price (U.S. $ per ton)	161	168
Revenue from produced corn (U.S. $ in thousands)	107 854	99 522
Sunflower		
Sales of produced sunflower (in tonnes)	116 267	47 018
Realization price (U.S. $ per ton)	400	363
Revenue from produced sunflower (U.S. $ in thousands)	46 454	17 062
Wheat		
Sales of produced wheat (in tonnes)	307 166	132 681
Realization price (U.S. $ per ton)	182	166
Revenue from produced wheat (U.S. $ in thousands)	56 005	22 059
Other (produced only)		
Total sales volume (in tonnes)	18 882	14 890
Total revenues (U.S. $ in thousands)	847	590
Total sales volume (in tonnes)	**1 111 436**	**788 535**
Total revenue from sale of crops (U.S. $ in thousands)	**211 160**	**139 233**

Cost of sales

The Company's cost of sales changed to USD 178,0 million in current period from USD 132,7 million in previous period. The following table sets forth the principal components of the Company's cost of sales for the periods indicated:

(in thousand USD)	For the year ended 31 December 2024	For the year ended 31 December 2023	Changes, %
Raw materials	(98 602)	(94 877)	4%
Change in inventories and work-in-progress	(26 101)	23 064	-213%
Depreciation and amortization	(17 104)	(16 003)	7%
Wages and salaries of operating personnel and related charges	(13 889)	(13 546)	3%
Fuel and energy supply	(13 150)	(19 487)	-33%
Third parties' services	(5 540)	(7 689)	-28%
Rent	(1 897)	(2 767)	-31%
Repairs and maintenance	(789)	(521)	51%
Taxes and other statutory charges	(758)	(802)	-5%
Other expenses	(140)	(82)	71%
	(177 970)	**(132 710)**	**34%**

A 34% increase in cost of sales in Y2024 is consistent with an increase in sales by 52%, taking into consideration the significant increase in sale prices.

Foreign currency exchange, net

As at 31 December 2024 Ukrainian Hryvnia devaluated against the USD compared 31 December 2023 by 9,6% (3,7% of devaluation as at 31 December 2023 compared 31 December 2022), 8,9% of devaluation for the average rate 2024/2023 in comparison with 11,5% of devaluation for the average rate 2023/2022. During the 2024 the Group recognised net foreign exchange loss in the amount of USD 4 501 thousand and USD 1 185 thousand of net loss for the 2023 (relates mostly to the revaluation of loans) in the Consolidated statement of comprehensive income.

Cash flows

The following table sets out a summary of the Company's cash flows for the periods indicated:

(in thousand USD)	For the year ended 31 December 2024	For the year ended 31 December 2023	Changes, %
Net cash flows from operating activities	91 570	17 069	437%
Net cash flows from investing activities	(22 497)	(16 561)	36%
Net cash flows from financing activities	(37 409)	(8 652)	332%
Net increase in cash and cash equivalents	**31 664**	**(8 144)**	**-489%**

The Company's net cash inflow from operating activities increased to USD 91,6 million in current year from USD 17,1 million in previous year. The increase in Y2024 was primarily attributable to increase in sales volume.

The Company's net cash outflow from investing activities increased to USD 22,5 million in Y2024 from USD 16,6 million in Y2023 which is in line with the Group's CAPEX program.

Net cash outflow from financing activities increase to USD 37,4 million in current year from USD 8,7 million in previous year, reflecting the balance between funds raised and paid out.

Innovative technologies and R&D

Precision Farming department and Research and development department implemented the following technologies in operating activities:

- Autopiloting systems with RTK accuracy - allows to increase the efficiency of any field operations by 6-8% and the corresponding fuel economy. Currently, IMC has 100+ autopilots.
- Section control systems on sowing and spraying - a technology that allows to switch off sections at overlaps and save significantly on chemicals, seed and fertilizers.
- Row Sense system and Row Vision system on spraying machines - technology that avoids trampling plants when spraying industrial crops.
- The Raven VSN&RADAR system on the Tecnoma sprayer is a technology that avoids trampling on industrial crops during spraying.
- Use of Amazone ZG-TS 10001 smart fertilizer spreaders with load cell system, hydraulic drive, sectional control, automatic online calibration and VRA technology.
- Equipping the fertilizer spreader with the Argus Twin system - the system constantly measures and adjusts the spreading direction to optimize lateral distribution and Constant Flow Control - is a constant monitoring and correction of the application rate proportional to speed (kg/ha). CFC fixes the torques of the spreading disc drives and uses them to calculate the metering slide position regardless of the spreading direction.
- Monitoring the quality of field operations - each seeder and sprayer machine has a controller, which records the actual work done.
- JD Operations Center integration for receiving, transmitting, accumulating and analyzing big data from field equipment.
- Integration of Crop Wise Operation to conduct high-quality field agronomic scouting.
- Wialon GPS monitoring system - a software product that is used to organize the traffic control of machines, control fuel and record of work done.
- Satellite monitoring - periodically, during the year, satellite monitoring of all crops in the fields of the IMC is carried out to identify deviations in the growing of crops.
- Carrying aerial photography by drones - each of our enterprises is equipped with drones, which provides detailed aerial survey of fields, allowing quick identification of the nature of heterogeneity and react to any deviations in the vegetation of plants.
- Yield sensors systems on each combine for yield mapping of each field.
- Implementation of Precision Planting equipment into sowing process – extremely increases quality of sowing.
- NFC field data transmission between trucks & weighing system on each grain cart – to control grain movement from field to storage.

- Agrogeoportal - PreAgri - it acts as the only platform for collecting, storing, processing and visualizing all geospatial data from fields.
- Meteo stations network within our fields.
- Permanent field rout optimization and boundaries actualization with digital GIS tools.
- Implementation of systematic control of soil compaction, control of the depth of basic tillage, and annual control of the tillage line. High soil hardness impedes the normal growth of the plant root system, moisture accumulation, air exchange, nutrient absorption, etc. Using a handheld penetrometer, you can identify problem areas at different depths with reference to GPS coordinates.
- Implementation of ultra-low-volume application of desiccant and insecticide by agro-drones for our crops in the outsourcing format.
- We bought mounted sprayers with controllers and sectional control for qualitative testing of plant protection products and herbicides on our trial fields (Agropolygons).
- Installation of mobile weather stations on self-propelled sprayers to track and control the performance of technological operations within the recommended and permissible values of temperature, wind and humidity.
- Wireless data transfer integration for Trimble equipment for fast data synchronization between the office and the equipment. Exclusively for mineral fertilizer spreaders.

The elements of precision farming are tested and introduced by the R&D department: systems for GPS-monitoring of the machinery, auto-piloting, satellite monitoring, variable rate for seeding and fertilization. Main types of experiments are connected with hybrids and varieties (seeding materials), plant protection products, plant fertilizer systems, precision farming systems, soil tillage systems, testing of agricultural equipment (drillers, planters, sprayers etc.).

The results of the work of the R&D department:

- Testing of optimal seeding rate (different from the recommendations of the seed manufacturer) and selecting of optimal protection products was carried out. The results of the experiments were applied in practice, which allows saving materials while maintaining the qualitative and quantitative characteristics of the future crop.
- Precision planting equipment was tested and introduced to large-scale production.
- R&D department created separate trial fields (Agropolygons) with small plots in all clusters of IMC. This approach helps us to concentrate a large amount of trials in one location and to analyze the results of trials in equal conditions in a more scientific way than previously.
- R&D department has successfully implemented the new approach to accounting trials using GIS technologies (joint project with OneSoil and ClimateFieldview), as a result—creation of small plot trials.

There were no development costs capitalized in the accounts, the research is done internally and is consequently captured mainly in the costs of personnel and amounted USD 172 thousand for Y2024 (USD 164 thousand for Y2023).

Alternative performance measures

Certain measures were included in this report but they are not measures of performance under IFRS - Alternative performance measures (APM). Management believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs are used for performance analysis, planning, reporting.

Alternative performance measures are:

- Normalised EBITDA
- Debt
- Net Borrowings
- Current ratio
- Interest coverage
- Segment's results

Normalised EBITDA

Earnings before interest, taxes, depreciation and amortisation (EBITDA) is calculated as revenue less expenses, the latter excluding tax, interest, depreciation and amortisation. Being a proxy to the operating cash flow before working capital changes, EBITDA is widely used as an indicator of a company's ability to generate cash flows, as well as its ability to service debt. Consequently, the management EBITDA serves as a measure to estimate financial stability of the Company. Besides, excluding the effect of depreciation and amortisation along with cost of capital and taxation provides to external users another measures comparable to similar companies regardless of varying tax environments, capital structures or accounting policies regarding depreciation and amortization.

The Company calculates Normalised EBITDA by adjusting Net profit for the expense items that are deemed to be substantially beyond the control of management, as well as items believed to be non-recurring. The Normalised EBITDA for the periods presented is calculated based on historical information derived from the Consolidated financial statements.

The reconciliation to Normalised EBITDA for the period (from continuing operations) is presented as follows:

(in thousand USD)	For the year ended 31 December 2024	For the year ended 31 December 2023	Changes, %
CONTINUING OPERATIONS			
Net profit/(loss) for the period	54 538	(21 030)	
Financial expenses, net	1 235	1 110	
Income tax expenses, net	789	(50)	
Depreciation and amortization	18 276	16 770	
Write-offs of property, plant and equipment	25	41	
Financial effect of lease of right-of-use assets	6 747	5 396	
Foreign currency exchange (loss)/gain, net	4 501	1 185	
Normalised EBITDA	**86 111**	**3 422**	**2416%**

The Group believes that these measures better reflect the Group core operating activities and provide both management and investors with information regarding operating performance, which is more useful for evaluating the financial position of the Group than traditional measures, to the exclusion of external factors unrelated to their performance.

Debt

Debt is defined as bank borrowings. The Group believes that Debt is commonly used by securities analysts, investors and other interested parties in the evaluation of a company's leverage.

Net Borrowings

Net borrowings is defined as bank borrowings (Debt) less cash and cash equivalents. The Group believes that Net borrowings is usually used in conjunction with Debt when assessing a company's leverage.

Current ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations. The ratio considers the weight of total current assets versus total current liabilities. It indicates the financial health of a company and how it can maximize the liquidity of its current assets to settle debt and payables.

Interest coverage

The interest coverage ratio measures the ability of a company to pay the interest on its outstanding debt. This measurement is used by creditors, lenders, and investors to determine the risk of lending funds to a company. The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by its interest expense during a given period.

Segment's results

The Group uses as a key measures of segment operating performance Gross income of the segment. Expenses and incomes that are not included in gross income are not allocated to each segment and are presented separately as unallocated. Actually indicators Operating income, Profit before tax and Net profit of a segment are Gross income of the segment.

Selected Financial Data

	(in thousand USD, unless otherwise stated)	For the year ended 31 December 2024	For the year ended 31 December 2023
I.	Revenue	211 288	139 453
II.	Operating profit/(loss)	67 810	(13 389)
III.	Profit/(loss) before income tax	55 327	(21 080)
IV.	Net profit/(loss)	54 538	(21 030)
V.	Net cash flow from operating activity	91 570	17 069
VI.	Net cash flow from investing activity	(22 497)	(16 561)
VII.	Net cash flow from financing activity	(37 409)	(8 652)
VIII.	Total net cash flow	31 664	(8 144)
IX.	Total assets	322 317	312 204
X.	Share capital	62	62
XI.	Total equity	181 399	141 694
XII.	Non-current liabilities	105 074	102 524
XIII.	Current liabilities	35 844	67 986
XIV.	Weighted average number of shares	35 500 464	35 500 464
XV.	Profit/(loss) per ordinary share (in USD)	1,55	(0,59)
XVI.	Total equity per share (in USD)	5,11	3,99

Risk management report

Risk management at IMC

Risk management is the process of reducing the possibility of adverse consequences either by reducing the likelihood of an event or its impact or taking advantage of the upside risk. The goal of the risk management at IMC is to provide a reasonable assurance that Group's business objectives will be achieved. This process encompasses such stages as risk identification, risk assessment, risk respond and risk mitigation, monitoring.

Risk identification. Managers of every department are responsible for tracking of potential risks concerning theirs functions. Risks must obviously be identified before they can be managed.

Risk assessment. List of risks should be prioritised according to the likelihood of occurrence and impact on the organization (department) goals. The most essential risks need urgent attention.

Risk response and risk mitigation. Management has to construct effective plan to deal with each significant risk identified. Tools aiming to mitigate risks are established at internal documents (instructions, rules, methods, etc.).

Monitoring. Risks are monitored on an ongoing basis. Where risks change or new risks are identified then those risks are added to the risk assessment for appropriate categorisation and action. Internal audit process is the main tool for risk monitoring.

IMC's management is responsible for day-to-day monitoring, identification, assessment and planning mitigation activities concerning operational risks in the course of its ordinary performance. Internal controls at IMC are the main tools of operational risks mitigation process. Established internal policies and internal regulatory documents are the primary mediums of internal controls implementation.

The Board of Directors currently maintains responsibility for overseeing enterprise risk management process and strategic risks. Major risk exposures are regularly discussed at the board meetings.

IMC's accounting-related risk management system

IMC's control system relies on daily resource planning analyses which are detailed by cost center and cost article, department, thus providing all the necessary information for controlling inventories and products.

IMC established internal controlling instruments to secure proper accounting in compliance with legal requirements.

IMC's accounting procedures are governed by standardized guidelines and rules as well as a clearly defined course of action in different situation. Therefore, standard account parameters and booking directions for various production operations were established. Another control tool is the clear allocation of functions regarding various accounting processes. For Group consolidation and accounting purposes all bookkeeping data of the consolidated companies may be accessed automatically.

The internal control system of IMC is based on the accounting database thus integrating all controlling processes. Accounting processes are carried out on a high-level basis and are monitored and adjusted by specialists.

IMC's accounting-related risk management system is set up in a way that the risk of misrepresentation could mainly ensue from new business processes or amendments to legal provisions. Risks are contained by transferring decisions on accounting-relevant data resulting from new business processes to the management level. Ongoing continuation training regarding the applicable accounting provisions from time to time is provided to the management.

The Group's internal control and risk management system in relation to the process for preparing consolidated financial statements is closely related to control mechanisms of accounting procedures. Consolidated financial statements are prepared on the basis of verified and approved accounting system data. Consolidated financial statements are carried out by specialists, the level of which is maintained annually by training. Consolidated financial statements are verified by the management by comparing of control points with management reports.

The Internal Control and Risk Management Department

The Internal Control and Risk Management Department was established as the separate unit in a corporate governance structure of the Group.

The Department is created with the aim of the regular independent monitoring and estimation of effectiveness of the IMC corporate governance, efficiency of separate business processes at the level of group and separate structural subdivisions, assessing of adequacy of the risk management process, providing with recommendations and participation during an improvement process. The Department participates in improvement of internal control, risk management and governance processes.

The Department regularly provides the management of IMC and the Audit Committee with independent and objective valuations and consultations. This involves an objective analysis of actual data with the aim of estimation and expression of an opinion on reliability of systems, processes, operations.

IMC Corporate Misconduct Hotline

Corporate hotline was launched at IMC to prevent and inform possible breaches of internal regulations, such as cases of discrimination, dishonest conduct, harassment, thefts, any type of corruption and bribery, etc. The hotline encompasses several anonymous channels for whistleblowers – call-center, email box, web-interface. IMC guarantees anonymity and protection for all informants, if this does not contradict the current legislation. All reasonable masseges via hotline are processed and feedback is sent to whistleblowers. More information concerning the hotline for stakeholders is available via web-link https://imc.ethicontrol.com/web/en/pages/about.

Anti-corruption and bribery matters

It is the policy of the Group not to engage in bribery or corruption and comply with applicable anti-corruption laws.

We adhere to the UN Global Compact principles of bribery and anti-corruption:

- We shall work against corruption in all its forms, including extortion and bribery.
- Making, promising or offering any payments, gifts or inducements with the purpose of influencing someone (incl. government officials, suppliers, clients, etc.) to act improperly is strictly forbidden; the same applies to accepting payments, gifts or inducements.
- All payments should be reasonable and fall within the acceptable commercial practice.
- All such expenses have to be properly recorded in the accounts.
- We do not tolerate so-called facilitating payments (for example small unofficial payments to officials in order to speed up processes).
- The Group does not make political contributions.
- When engaging in business relationships the Group chooses its partners with the same zero tolerance approach to corruption and bribery.
- The Group appreciates the risk of corruption and bribery in the countries it operates and continues to take measures to minimize this risk.
- All funds received and paid by the Group and its subsidiaries during the course of business are strictly accounted and handled via bank transfers exclusively to minimize the possibilities of cash being taken in or out for the purposes of bribery. In 2024, the Group continued to ensure its adherence to such cash management.

Key risks faced by the Group

Risks relating to the Industry

- **Grains prices volatility**

  Changes in market prices for grains can adversely influence on IMC's earnings and financial results.

  To decrease an influence of this risk the Group, on permanent basis, researches the international and Ukrainian agricultural markets, monitoring price fluctuations and factors affecting these fluctuations (stocks, production, consumption, export, import, forecasts). Based on an analysis of the above-mentioned information, the management of the Group makes decisions regarding crop rotation structure and production plans.

  Sound control over the grains production costs at IMC allows the Group to ensure sufficient level of marginality regardless of price fluctuations. The Group cooperates with large grain traders, which allows to sell large quantities of grain at the most favorable prices of the export market.

<u>Operational risks</u>

- **Adverse weather conditions**

  Poor and unexpected weather conditions may disrupt the Group's production of crops.

  The land cultivated by the Group is spread between different climate zones of Ukraine. This allows to reduce the possible negative impact of adverse weather conditions. Additionally, to mitigate an influence of this risk IMC uses the following practices:

  - On the fields of IMC the system of different depth soil cultivation is applied: deep ripping, ploughing, disking, and cultivation. Rotation of these cultivation methods allows creating the optimal conditions for growth and development of agricultural crops;
  - Cultivation of share of winter crops up to 20% in the general crop rotation structure enables to decrease the risk of disruption of a general production of crops during unfavorable winter conditions.

- **Increase of input costs**

  The Group's operating costs could increase and adversely affect IMC's financial performance. The risk of the Group's operating costs increase is basically connected to a possible price growth for fuel, seeds, fertilizers and crop protection materials.

  To reduce the risks mentioned above the Group:

  - has implemented the fuel consumption and machinery usage controlling systems using GPS-trackers;
  - follows the land bank development strategy based on principle of fields' close proximity to each other that allows to reduce fuel consumption;
  - is focused on limited number of crops that allows to use and purchase seeds, fertilizers and crop protection materials more efficiently;
  - has built long-term and mutually benefitted relationships with suppliers of seeds, fertilizers and crop protection materials.

- **Customer concentration risk**

  Focusing on large wholesale world traders, the Group has a small pool of customers and could be influenced by customer concentration risk. But the work of the Group with a small number of customers is not due to the lack of other customers or the impossibility of entering new markets, but to the selected sales strategy - the best conditions for selling are ensured by relations with large traders. To control the risk before each sale, a tender is held among buyers to determine the best conditions of the transaction. Making a choice in the direction of the buyer, management understand the level of supply and demand for the products on the market with other participants and Group's capabilities in the event of a change of buyer.

- **Credit risk**

  Counterparties involved in transactions with IMC may fail to make scheduled payments, resulting in financial losses to IMC.

  To decrease an influence of this risk the Group has implemented credit policy and monitoring practices. Policies and operating guidelines include limits in respect of counterparties to ensure that there is no significant concentration of credit risk. Credit risks are managed by legal activities which include security paragraphs into agreements with customers. Also the financial department of the Group constantly carries out monitoring over payment terms deadlines according to goods selling contracts.

- **Risk of key personnel shortage**

  A lack of key personnel can threaten the overall performance of IMC.

  The Group conducts series of activities to mitigate this risk. IMC offers competitive working conditions for potential employees. Performance related remuneration scheme exists to motivate and retain key staff. IMC cooperates with a number of Ukrainian educational institutions for selection and hiring talented students. Educational and professional trainings are regularly held for personnel at IMC.

- **Risk of land loss**

  Land is a key resourse in agricultural production and termination of essential number of land lease agreements can cause significant damage for the Group.

  To mitigate this risk, the Group holds a number of social events for the local communities to make IMC's presence beneficial for Company's land lessors. The terms of land lease agreements have been revised and re-signed in the best interest of counterparties. As at 31 December 2024, 94% of land lease agreement are valid for a period over 5 years and 81% of contracts are valid for a period of more than 10 years (as at 31 December 2023 - 93% and 78% correspondingly).

- **Risk of cybersecurity incidents**

  IMC's corporate information system can be corrupted by virus attack or external intrusion.

  Operations of the Group are highly dependent on corporate IT system in all aspects. In 2017, companies of the Group have experienced a cybersecurity attack which has not had a material impact on our business. To prevent and mitigate this risk a series of actions has been done. The infrastructure of IMC's intranet has been improved in order to mitigate the risk of unauthorized external intrusion. A backup process was reconstructed to ensure a maximum possible safety of corporate business data. The riskiest points of unauthorized external intrusion have been isolated outside IMC's intranet.

Financial risks

- **Risk of capital deficiency**

  Failure to generate or raise sufficient capital may restrict the Group's development strategy

  To decrease an influence of this risk the Group works on several sources of financing: bank crediting, financing by international financial organizations.

- **Risk of liquidity**

  It exists the risk of inability to meet financial obligations of the Group in due time.

  To minimize such risk IMC maintains efficient budgeting and cash management processes to ensure that adequate funds are available to meet business requirements. IMC adopts a flexible CAPEX program enabling capital projects to be deferred if necessary.

- **Risk of interest rate volatility**

  Fluctuations of interest rates influence on the cost of IMC's borrowings.

  The Group utilizes balancing strategy to mitigate interest rate risk and, whenever possible, always strives to obtain loans with a fix interest rate. The portfolio of IMC's borrowings consists of 38% of variable rate debt and 62% of fixed rate debt as at 31 December 2024 (22% of variable rate debt and 78% of fixed rate debt as at 31 December 2023).

  IMC's creditors are well-known banks with a foreign capital or international financial institutions. As result, the cost of IMC's financial resources is lower than the market average.

- **Fluctuation in currency exchange rates**

  Unfavorable movements of currency exchange rates can lead to deteriorating of company's financial results.

  The main functional currencies for IMC are Ukrainian hryvnia and US dollar. Since the Group is export oriented, most of regular financial planning cash inflows are matched in US dollar, when outflows are matched both in US dollar and Ukrainian hryvnia. Stable revenue in US dollar limits the risk resulting from national currency devaluation. In 2024, the Ukrainian hryvnia devaluated against the US dollar from the beginning to the end of the year, which was reflected in a decrease in the Group's net assets at the end of the year in US dollar terms.

Legal and regulatory risks

- **Risk of non-compliance**

  The Group's business is influenced by regulatory rules of each country where IMC operates. A breach of these rules can cause legal proceedings and additional costs for the Company.

  The monitoring of legislation changes is constantly conducted by the Legal Department at IMC. Employees regularly visit specialized events on legal issues. Group's business operations are conducted in accordance with current legislation taking into account possible future regulatory development.

<u>**War-related risks**</u>

- **Logistics risk**

  Blocking seaports or not extending the Grain agreement will lead to a decrease in sales volume.

  To reduce the impact of this risk, the Group is developing additional shipping routes - there are contracts for shipment by rail across the western borders of Ukraine, as well as across the Danube. A project is being worked out to attract trucks to further increase sales across the western borders.

- **Infrastructure missile attack risk**

  In order to minimize possible loss of assets from the destruction of infrastructure, the group's assets are distributed and diversified in different regions and locations. Additional fire and medical assistance measures have been organized on the ground.

- **Risk of electricity shortage**

  Reduction of electricity consumption across the entire IMC supply chain. Diesel generators were purchased both for domestic use (to ensure the operation of offices and warehouses) and industrial use (to maintain the operation of elevators). A project to re-equip the elevator for alternative energy sources has been developed. To meet the demand for natural gas for grain drying, contracts for its purchase are concluded before the start of the drying season.

- **Loss of inventory risk**

  To reduce the risk of loss of stocks from destruction due to missile attacks, stocks are placed in different regions and different locations. To reduce the risk of damage of stocks from long-term storage, alternative shipping routes are being developed to prevent the accumulation of stocks in warehouses, and plastic sleeves are used for storing crops in order to ensure the most correct storage conditions outside the elevator.

- **Disruption in the supply chain**

  The company continues to work with the largest suppliers of certified agricultural materials, which ensures the availability of the necessary materials, the possibility of their purchase in advance, and reduces logistics costs due to large quantities. The company has enough storage facilities to provide itself with the necessary stocks of agricultural materials.

- **Employee-related risks**

  Mitigations to ensure that employee welfare is protected and strengthened include: evacuating employees deemed most at risk from dangerous areas; ensuring no concentration of critical employees in one location, with back-up critical functions organised; training employees on defensive measures on how to behave and to protect themselves in the War.

- **Risk of insufficient funding**

  Negotiations with banks in case of necessary short-term financing to cover the cash gap. Working with large buyers to ensure the timeliness and completeness of payments, as well as asking of deferred payments from suppliers.

- **Counterparty risk**

  To reduce the risk of non-payment, the Group works with large grain traders and buyers. To minimize disruption of the supply chain, large suppliers are selected.

- **IT risk**

  To minimize the risk of possible attacks by Russian hackers, the data storage was moved to a more secure server. Regular training and testing of employees for knowledge and compliance with information security rules.

On behalf of the Board of Directors:

Chief Executive Officer	Oleksandr Verzhykhovskyi	_______signed_________
Chief Financial Officer	Dmytro Martyniuk	_______signed_________

SUSTAINABILITY REPORT

General disclosures

About this report

ESRS-2 BP-1

In selecting the content of the IMC Sustainability Report, IMC was guided by the general principles of sustainability reporting of completeness, materiality and stakeholder engagement.

This Sustainability Statement provides non-financial information for IMC for the fiscal year ending on 31 December 2024. The data presented in this section is consolidated with IMC's financial statements for the same period. The scope of the report covers IMC with the sustainability policies, procedures, and governance structures applicable across all operational units, upstream and downstream value chain unless specified otherwise in chapters of this report.

IMC has conducted a materiality assessment to identify key sustainability topics that are critical to its business and stakeholders. This assessment focused on areas that could have a significant economic, environmental, or social impact or influence on stakeholder decision-making. While priority topics have been addressed in detail, lower-priority issues are continuously monitored and periodically reviewed.

All production activities and operations of IMC are based in Ukraine, and the governing bodies, policies, and procedures mentioned in this report primarily pertain to Ukrainian operations.

In the fiscal year 2024, IMC collaborated with external consultant to conduct a comprehensive greenhouse gas (GHG) inventory covering Scope 1, Scope 2, Scope 3, and FLAG (Forest, Land, and Agriculture) emissions. This project reflects the Company's commitment to improving its environmental footprint, including the identification of critical areas within its supply chain and upstream/downstream operations.

IMC's sustainability reporting for 2024 has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), reflecting our commitment to transparency and responsible business practices. This report shares insights into how we conduct our business responsibly, showing our impact on society and the environment.

You can find additional information about our key business objectives and activities, as well as our recent business development highlights and financial performance on our corporate website: www.imcagro.com.ua

Governance

GOV-1

IMC is incorporated as a société anonyme in Luxembourg and listed on the Warsaw Stock Exchange (WSE). It operates with a one-tier board system consisting of both executive and non-executive directors.

IMC has six executive directors on its Board:

- Oleksandr Petrov, Executive Director, Founder
- Alex Lissitsa, Executive Director, Chairman
- Oleksandr Verzhykhovskyi, Executive Director, CEO
- Dmytro Martyniuk, Executive Director, CFO
- Olena Krysenko, Executive Director, Commercial Director
- Sergii Klimishyn, Executive Director, Legal Director

Non-executive Members of the Board:

- Andrzej Szurek, Non-executive Director, Head of Remuneration Committee

  In 2024, Andrzej Szurek was assigned the role of Sustainability Board Champion, overseeing sustainability responsibilities on the Board.

- Alfons Balman, Non-executive Director, Head of Audit Committee

IMC is working to enhance diversity, especially in terms of gender and skills related to sustainability, in line with best practices in corporate governance.

IMC has opted for a Sustainability Board Champion model, with Andrzej Szurek, Board member, Non-executive Director taking on the role of ensuring sustainability oversight. His responsibilities are integrated into IMC's Corporate Governance Charter. Future plans of the company include the establishment of a Dedicated Sustainability Committee chaired by a non-executive director with expertise in ESG matters within a two-year horizon.

IMC formed a Management Sustainability Committee chaired by the CEO. This committee includes senior managers and board executive directors to oversee the implementation of sustainability strategies, monitoring ESG impacts. Departments such as R&D, Investor Relations, Land Relations & Social Policy Development, as well as the EHS Department participates in assessing and managing sustainability impacts.

At the department level, sustainability responsibilities are distributed across various functions. The Commercial Department handles sustainability elements in supplier contracts, while the HR Department ensures fair work conditions and diversity. The Production Department focuses on reducing GHG emissions in agricultural operations.

Overview of the relevant responsibilities is provided in table 1 below:

Table 1 Overview of roles and responsibilities related to ESG within IMC departments

Department	Relevant responsibilities
Health Safety Environment (HSE) Department	- Environmental policy development and implementation regarding environmental, health and safety matters - Compliance control with national environmental protection requirements - GHG emissions calculation
Production Department	- GHG Emission reduction production technologies and projects implementation - Implementation of policies ensuring production with minimal negative impacts on the environment
Commercial Department	- Guiding the certification process under ISCC EU - Procurement of production inputs meeting high technological demands while ensuring environmental and health protection
Land Relations and Social Policy Department	- Handling relations with landowners - Implementation of social programs - Processing of complaints and requests from landowners and local communities
HR Department	- Checking and improving work conditions - Ensuring equal treatment and opportunities for all
Economic and Financial Service	- Preparation of feasibility studies and budgeting for all ESG initiatives and projects
Legal Department	- Legal support for litigation and any ESG-related issues (if any)
Department for Economic Security	- Participation in the review of complaints from stakeholders

While the current Board does not have a dedicated sustainability committee, the Sustainability Board Champion and external experts ensure that the board is equipped to manage sustainability issues.

Since October 2024, Yuliia Logvynenko has joined the company as Chief Sustainability Officer, reporting to the Sustainability Board Champion and the Chief Executive Officer. The Chief Sustainability Officer serves as the CEO's deputy in the Management Sustainability Committee and acts as a key subject matter expert on sustainability related to IMC's operations and value chain where together with a Committee team responsible for development, coordination and implementation of the Company's sustainability strategy, targets, plans and programs.

GOV-2

The administrative, management, and supervisory bodies of IMC actively engage in sustainability matters. The key departments, as outlined in Table 1, were directly involved in material topics risk assessment, climate risk evaluation, GHG inventory preparation, and addressing environmental, social, and governance (ESG) challenges across the value chain. Their collaborative efforts support IMC's sustainability objectives and compliance with the EU's ESG reporting requirements.

As per the sustainability governance structure, the following departments play a crucial role in identifying and managing sustainability-related risks and opportunities:

- Health, Safety, and Environment (HSE) Department: Responsible for GHG emissions calculation, environmental policy development, and ensuring compliance with national environmental regulations.
- Production Department: Focuses on implementing sustainable production technologies and processes
- Commercial Department: Ensures procurement aligns with sustainability standards, especially related to environmental and health protection, while overseeing the certification process under ISCC EU.
- Land Relations and Social Policy Development Department: Manages social programs, addresses the needs of local communities, and handles relations with landowners, mitigating potential social risks.
- HR Department: Addresses working conditions, equal treatment, and workplace safety, ensuring that human capital management aligns with sustainability goals.
- Economic and Financial Service: Prepares feasibility studies and manages budgeting for ESG-related initiatives and projects.

The involvement of these departments ensures that the following sustainability matters are systematically addressed and overseen by the administrative, management, and supervisory bodies:

- Climate Risk Assessment and Opportunities: Evaluation of the physical and transitional risks related to climate change and the identification of opportunities to reduce the company's carbon footprint and enhance resilience.
- Negative Impact Assessments: Regular assessments of the company's operations to minimize environmental and social risks, particularly concerning agricultural practices and land use.
- GHG Inventory Preparation: Multiple departments, particularly the HSE and Production Departments, participated in the preparation of the GHG inventory for Scope 1, 2, and 3 emissions, including FLAG emissions. This comprehensive GHG inventory allows for the identification of emission reduction opportunities.

Each department reports sustainability risks and opportunities to the Deputy CEO for Sustainability, who in turn reports to the Sustainability Board Champion and the CEO. The administrative and supervisory bodies regularly review sustainability performance indicators, ensuring alignment with IMC's long-term strategic goals.

To ensure adequate expertise, IMC's administrative and management bodies have access to external sustainability experts and internal specialists from key departments. These resources allow them to effectively address and integrate sustainability matters into the Company's broader business strategy.

This structure facilitates the Company's ability to manage its sustainability impacts, risks, and opportunities, and ensures that the supervisory bodies are equipped with relevant insights for decision-making.

GOV-3

Currently, IMC has not fully integrated sustainability-related performance indicators into its incentive schemes for executive directors or management teams. However, recognizing the increasing importance of sustainability in corporate governance and business performance, IMC plans to revise its Remuneration Policy in the near future.

In line with best practices in the industry, IMC aims to incorporate dedicated sustainability-related Key Performance Indicators (KPIs) into its incentive frameworks. These KPIs will align with IMC's broader sustainability strategy and ESG commitments, focusing on material issues such as greenhouse gas (GHG) emission reductions, climate resilience, and social responsibility in the communities where the Company operates.

As part of this process, IMC's Board of Directors Sustainability Champion and Deputy CEO for Sustainability will work with the Remuneration Committee to identify appropriate performance metrics that reflect both short-term sustainability goals and long-term value creation for stakeholders. The updated Remuneration Policy will apply to both executive directors and senior management and is expected to encourage the achievement of sustainability objectives, enhancing the company's overall ESG performance.

GOV-4

IMC recognizes the importance of sustainability due diligence as part of its commitment to responsible corporate governance and adherence to ESG principles. As there is currently no legal requirement in Luxembourg to obtain external assurance on ESG reports, this report has not been externally audited. IMC will consider assurance in the future in line with evolving regulatory requirements or internal decisions.

GOV-5

IMC places a strong emphasis on the quality and accuracy of its sustainability reporting, continuously enhancing its internal controls and accounting processes for non-financial data.

The company has automated system for grievances reporting and analyses https://imc.ethicontrol.com/web/uk.

IMC has implemented several advanced digital systems to enhance operational efficiency, improve data accessibility, and streamline management processes across its agricultural operations:

- IMC e-Portal: Digitizes all internal documents for quick approvals and responses, reducing resolution time by 40% and allowing access from any device.
- MAg – Mobile Agronomist: Provides real-time e-mapping of field operations, crop quality control, and reporting on agronomists' activities. In 2024 IMC has transited to external program CropWise to fulfil field scouting by agronomists and production teams.
- PreAgri – IMC Geoportal: Centralized geodata access with NDVI maps, weather station data, drone imagery, and operational data like seeding rates and soil analyses.
- Wialon – GPS Monitoring: Tracks all machinery and vehicles for speed control, accurate field work calculations, and enhanced logistics planning.
- Panorama – Land Bank Control: Digitalizes over 30,000 land plots, consolidates land ownership data, and maintains a unified register of land lease agreements.

In 2024, IMC entered into a partnership with an external consultancy firm to enhance its climate corporate governance framework. As part of this initiative, the Company is developing a dedicated model for calculating GHG emissions, adhering to the methodologies established by the IPCC. This initiative aims to bolster IMC's capacity for accurate GHG emissions reporting and support the company's sustainability objectives.

Market position, strategy, business model and value chain

SBM-1

IMC operates within the agricultural sector of Ukraine (among top-10 agricultural companies), focusing on sustainable and efficient farming practices. The Company is committed to enhancing its market position through innovative strategies that prioritize environmental responsibility while ensuring operational excellence.

Business segments' contribution and value chain

The company's value chain encompasses crop cultivation, production logistics and grain storage. This integrated approach ensures efficient management from production to market delivery.

IMC's value chain encompasses a comprehensive sequence of activities that ensure efficient agricultural production and market access while integrating sustainability and innovation. The upstream segment begins with input supply, involving the procurement of essential agro-inputs such as seeds, fertilizers, and pesticides, alongside machinery acquisition and supplier contracting. Moving to on-farm activities, the land preparation and cultivation phase focuses on soil preparation, planting strategies, plant protection, and crop monitoring using agri-tech solutions. As crops mature, the harvesting and primary processing stage involves mechanized harvesting, post-harvest handling (such as sorting and drying), and initial storage in on-farm silos.

The sales and market access phase targets both domestic and international markets.

Strategic Directions

IMC's Smart Green Strategy outlines a comprehensive approach to achieving sustainability across its operations. The strategic directions include:

1. Operational Efficiency Improvement: IMC continuously seeks to optimize its farming practices and resource management, aiming to enhance productivity while minimizing waste and energy consumption.
2. Fossil Fuel Consumption Decrease: The Company is actively working to reduce its reliance on fossil fuels by exploring alternative energy sources and more efficient machinery.
3. Greenhouse Gas Emission Reduction: IMC is committed to decreasing its GHG emissions through various initiatives, including the implementation of precision agriculture technologies and sustainable farming practices.
4. Preservation of Soil Fertility & Health: The Company recognizes the importance of maintaining soil health for long-term agricultural productivity. IMC implements practices that promote soil conservation and fertility, ensuring sustainable yields.
5. Investments in the Acquisition of Agricultural Land in Ukraine: IMC aims to strengthen its landholdings in Ukraine to enhance its operational capacity and support sustainable agricultural practices.
6. Personnel Development: The company invests in training and development programs for its employees, ensuring that they are equipped with the necessary skills and knowledge to implement sustainable practices effectively.
7. Local Communities Support: IMC is dedicated to supporting the communities in which it operates. This includes initiatives aimed at fostering local economic development and improving the quality of life for community members.

IMC's business model revolves around integrating sustainability into its core operations. This model includes:

- Sustainable Agriculture Practices: Emphasizing environmentally friendly methods to enhance productivity while preserving natural resources.
- Innovation and Technology: Leveraging modern technologies, such as precision agriculture, to optimize resource use and minimize environmental impact.
- Collaborative Partnerships: Engaging with local communities, stakeholders, and industry partners to foster sustainable development and address shared challenges.

IMC's value chain reflects its commitment to sustainability at every stage, from land acquisition and crop production to grain storage and sales. Key components of the value chain include strategic acquisition of agricultural land with a focus on sustainability and responsible management practices; implementation of efficient and sustainable farming techniques, including the use of precision agriculture technologies to reduce inputs use and minimize environmental impact; ensuring that sustainability principles guide the production and distribution of agricultural products, enhancing overall efficiency and reducing waste and actively supporting development of local communities, reinforcing IMC's commitment to responsible growth.

Interests and views of stakeholders

IMC monitors stakeholders' attitudes and expectations, continuously improving communication channels. All stakeholders are encouraged to submit feedback or complaints through dedicated channels.

Identified Stakeholder Groups and engagement methods

Stakeholder Group	Engagement method
Residents of municipalities, villages, and communities	IMC prioritizes maintaining open and transparent communication with local residents who may be directly or indirectly affected by its operations. The Company ensures consistent engagement through various channels to address their concerns and share relevant updates.
	Form of engagement: Annual community meetings, information in regional media, social media updates (e.g., Facebook pages like "IMC Aid to People") onsite information boards, and complaint/suggestion boxes in rural offices.
Landowners	IMC values its relationship with landowners, ensuring open communication during lease negotiations and providing regular updates on relevant developments. The Company maintains a corporate hotline for landowner inquiries.
	Form of engagement: Regular updates during lease negotiations, placement of information in regional media, landlord meetings, and a corporate hotline.

Residents along transport routes	The Company is committed to addressing concerns of residents affected by transportation impacts, ensuring timely consultations and transparent communication.
	Form of engagement: Community consultations, announcements in local newspapers.
Farmers and agricultural businesses	IMC collaborates with farmers and agricultural businesses to share best practices, resolve potential conflicts, and support local agriculture.
	Form of engagement: Collaborative meetings, local agricultural events, and workshops.
Local infrastructure operators	IMC works closely with infrastructure operators to ensure proper communication about planned activities and emergency responses.
	Form of engagement: Direct communication about infrastructure use and emergency phone calls during blackouts.
Neighboring industrial enterprises	The Company engages with neighboring industrial enterprises to address shared risks and coordinate mitigation plans.
	Form of engagement: Formal stakeholder meetings and coordination via local business associations.
Personnel living near IMC sites	IMC fosters communication with its employees living near operational sites, ensuring they are well-informed about local activities and company updates.
	Form of engagement: Emails, calls, corporate Viber/Telegram groups, and onsite noticeboards.
Customers	IMC is committed to maintaining transparency and open dialogue with its customers, ensuring high-quality service and regular updates on products.
	Form of engagement: Regular updates through e-mail; transparent communication on product quality and delivery timelines
Investors	IMC maintains a consistent and transparent dialogue with its investors throughout the year, providing regular updates on performance and sustainability initiatives.
	Form of engagement: Financial reports, annual sustainability reports, investor meetings, roadshows, and updates on the corporate website.
Creditors	The Company commits to maintaining transparency in financial reporting and regular updates to creditors to ensure long-term trust and stable relationships.
	Form of engagement: Updates on loan agreements and project milestones, transparency in financial reporting.
Board of Directors and Shareholders	IMC ensures active engagement with its Board of Directors and shareholders, sharing regular updates on corporate strategy and operational performance.
	Form of engagement: Regular meetings, board presentations, and email communication.
Employees	IMC values its employees and fosters an inclusive workplace with frequent updates and training opportunities to enhance skills and align with company goals.
	Form of engagement: Internal portal, training sessions, corporate events, and regular team meetings.
Contractors	The Company maintains clear communication with contractors to ensure successful project delivery and alignment with corporate standards.
	Form of engagement: Onsite inspections, project updates via emails and meetings, and contract-specific communication plans.
Supply chain participants	IMC collaborates with its supply chain participants to promote transparency, sustainability, and shared success.
	Form of engagement: Tender procedure, vendor meetings, procurement policy updates via emails, and collaboration on sustainability initiatives.
Media	IMC engages with media representatives to share updates on its operations and sustainability initiatives while fostering transparent communication.
	Form of engagement: Press releases, media briefings, social media campaigns, and interviews with IMC representatives.

Government bodies	IMC maintains consistent communication with government bodies to ensure compliance and alignment with national priorities.
	Form of engagement: Regulatory compliance document submissions and meetings with ministry representatives.
State institutions	The Company ensures compliance with state regulations and regularly collaborates on audits and reporting requirements.
	Form of engagement: Compliance reports, audit reviews, and regulatory updates.
Local authorities	IMC engages with local authorities to address community concerns and participate in local decision-making processes.
	Form of engagement: Consultations with municipal representatives and attendance at public hearings.
NGOs, Associations, and Unions	The Company collaborates with non-governmental organizations and industry associations to promote joint initiatives and sustainability efforts.
	Form of engagement: Partnership meetings, participation in forums, and sustainability platforms.
General public	IMC prioritizes transparent communication with the general public, ensuring access to operational updates and grievance mechanisms.
	Form of engagement: Community forums, social media engagement, and accessible public grievance mechanisms.
International bodies	The Company regularly updates international stakeholders on ESG compliance and participates in global sustainability initiatives.
	Form of engagement: Updates on ESG compliance, donor workshops, and project assessments.

IMC engages with its stakeholders through various channels to ensure transparent communication and maintain strong relationships. The annual report serves as a comprehensive resource for shareholders, investors, and creditors, offering detailed insights into the Company's performance and strategy. The corporate website provides up-to-date information and serves as a primary platform for communicating with clients, consumers, and the public. Additionally, IMC has established a grievance mechanism to allow stakeholders, including employees, local communities, and suppliers, to submit feedback, complaints, or suggestions, ensuring these concerns are addressed promptly and transparently. This multi-channel approach fosters an open dialogue and builds trust with all key stakeholder groups

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

The Company acknowledges that ESG-related risks, including climate-related physical and transition risks, may significantly influence its operations and long-term sustainability. The risk assessment process involved close engagement with key stakeholders to ensure that IMC's business strategy aligns with evolving sustainability challenges and opportunities.

IMC conducted a risk assessment for environmental, social, and governance (ESG) risks using the double materiality principle. This assessment focused on identifying material impacts, risks, and opportunities that affect IMC's strategy and business model.

Impact, risk and opportunity management

IRO-1

IMC has adopted a structured Impact Materiality Scoring Methodology to identify and assess material impacts, risks, and opportunities, particularly in the environmental, social, and governance (ESG) domains. The process evaluates potential events and their severity across several dimensions:

- Environment: IMC evaluates environmental risks based on the scale of impact (from local to global), the scope (how widespread the effect is), and the potential for irreversibility. Strategic-level risks involve irreversible damage, while more moderate risks may be reparable.

- Social: Social risks are assessed for their effect on the community and employees, particularly health and safety incidents or reputational damage. Similar to environmental assessments, social risks are graded based on the scale, scope, and irremediability of the impacts.
- Governance: IMC evaluates governance-related risks, particularly those involving reputation and business conduct. Strategic governance risks include irreversible reputational damage, while lower-level risks may be confined to local or short-term impacts.

For each of these categories, risks are assessed using a severity grading scale (ranging from strategic to limited) and are complemented by a financial materiality scoring methodology. This financial assessment focuses on how the risks affect financial health (including EBITDA, CAPEX) and reputation, with the latter evaluated based on media exposure and stakeholder reactions.

Finally, the frequency of each risk is evaluated, ensuring that risks expected to occur frequently are categorized and managed with higher priority.

Management Sustainability committee conducted final review and topics ranking.

IRO-2

Based on the IRO (Impact, Risk, and Opportunity) assessment, IMC has identified key material topics that are critical to its sustainability strategy and stakeholder engagement. These topics reflect the company's commitment to responsible business practices, environmental stewardship, and social responsibility. The following matrix outlines IMC's material topics and corresponding content areas:

1. Own Workforce
2. Supplier and Customer Engagement
3. Affected Communities Support
4. Health and Safety
5. Soil Pollution and Degradation
6. Climate Change
7. Substances of High Concern
8. Business Conduct

Business conduct

Business conduct policies and corporate Culture

ESRS G 1-1

IMC adheres to a framework of ethical values and standards, which are communicated and implemented through company-wide policies. The foundation of these practices is built upon the 10 Rules of IMC, which guide behavior and foster a corporate culture that emphasizes respect, responsibility, and ethical conduct in all aspects of the company's operations (could be found on: https://imc.ethicontrol.com/web/uk/pages/10-rules).

IMC's 10 Rules of Business Conduct:

1. People First: The most important value at IMC is its people—their lives and health are the top priority.
2. Teamwork: At IMC, we work as a team, supporting each other.
3. Diversity and Inclusion: IMC does not tolerate discrimination based on gender, age, nationality, or any other factors.
4. Planning and Execution: At IMC, everything can be achieved with proper planning and execution.
5. Efficiency: Efficiency is a key priority. Everything we do at IMC is done efficiently.
6. Clear Goals: Every task at IMC has clear parameters. Achieving 100% of these parameters means the task is successfully completed.
7. Career Promotion: IMC guarantees career promotion for responsible and proactive professionals.
8. No Theft: IMC does not tolerate theft.
9. No Dishonesty: There is no room for lying at IMC.
10. Alcohol Prohibition: IMC strictly prohibits the consumption of alcohol at the workplace.

IMC's corporate culture is built upon the rejection of unethical behavior, which includes any form of discrimination, dishonesty, corruption, harassment, or negligence. The company promotes an environment of respect, integrity, and accountability for all employees. Violations of the company's principles, such as theft, dishonesty, or misuse of resources, are strictly prohibited and are subject to disciplinary action.

Since 2019, IMC has implemented the IMC Corporate Misconduct Hotline, operated through the Ethicontrol platform. This platform allows for the anonymous and confidential reporting of any corporate misconduct, including unethical behavior, fraud, and violations of internal company rules. Key features include:

- Anonymous Reporting Channels: Individuals, including employees, partners, and other stakeholders, can report incidents through an anonymous web portal or via a free telephone hotline.
- Incident Management System: All reported cases are documented, investigated, and acted upon by a dedicated team to ensure compliance with the company's ethical standards.
- Confidentiality and Independent Oversight: Reports are managed by an independent third party to ensure objectivity and confidentiality.

The IMC Corporate Misconduct Hotline allows individuals to report a variety of concerns, including but not limited to:

- Discrimination or harassment
- Fraud, corruption, and misappropriation of company resources
- Violations of internal policies and regulatory compliance
- Health and safety violations

IMC offers several ways for employees and other stakeholders to report unethical behavior:

- Via the secure portal at imc.ethicontrol.com
- By phone at 0 800 211 524, with free calls during business hours.
- By email to imc@ethicontrol.com.ua.

After a report is submitted, the following steps are taken:

1. The report is registered and analyzed by authorized personnel.
2. An investigation team is formed to address the issue.
3. The whistleblower is contacted within 30 days with updates and potential further inquiries.
4. A confidential feedback system ensures anonymous communication with investigators.

IMC's governance structure ensures continuous monitoring and improvement of its business conduct documentation. Ethical compliance is overseen by CEO. All employees are aware of 10 Rules of IMC.

IMC currently does not have a formal whistleblower protection mechanism. We recognize the importance of safeguarding employees who report unethical behavior, and therefore, a whistleblower policy will be established as part of IMC's Code of Conduct, which is also scheduled for implementation in 2025. These initiatives will strengthen IMC's commitment to transparency, ethical practices, and a safe environment for all employees.

<u>Prevention and detection of corruption and bribery. Incidents reporting</u>

G 1-3,4

IMC is committed to preventing corruption and bribery by fostering a transparent and ethical workplace culture. While we do not quantify the specific percentage of functions covered by targeted training programs, our approach focuses on promoting awareness of core anti-corruption principles among employees and integrating robust risk management practices into key operational processes.

IMC actively cultivates an environment of open communication with employees, ensuring that they are well-informed of company policies through regular updates shared via corporate email and our intranet platform. Additionally, IMC's management prioritizes transparency and risk management across the organization, continuously reinforcing our commitment to ethical standards and governance.

These practices are foundational to our efforts in maintaining integrity and safeguarding against corruption and bribery risks.

In 2024, IMC encountered three incidents involving corruption and bribery within its operations. These cases were identified through internal investigations and whistleblower reports (hotline). Two cases have been resolved following IMC's established protocols, which included investigations by the security team and disciplinary actions. The third case, reported anonymously, is currently under review. No legal convictions or fines were imposed, as these cases were resolved internally within IMC Group.

In two cases, employees were dismissed and forfeited bonuses due to confirmed misconduct. No contracts with business partners were terminated or impacted due to these incidents. IMC acknowledges opportunities to strengthen anti-corruption and anti-bribery protocols to mitigate future risks. In 2025, the company will implement a formal anti-corruption policy and reinforce awareness measures among employees, as well as improve whistleblower protections as part of an updated Code of Conduct.

IMC remains committed to upholding ethical standards and has implemented measures to prevent similar incidents, including compliance training, enhanced oversight, and strict enforcement of anti-bribery policies. These actions are in line with IMC's commitment to transparency and ethical business practices, as outlined in our corporate governance framework.

As of the current reporting period, IMC does not yet have formal policies in place on anti-corruption or anti-bribery that are fully aligned with the United Nations Convention against Corruption. However, the company is committed to developing and implementing comprehensive policies in these areas in 2025, ensuring adherence to international standards and ethical guidelines.

Management of relationships with suppliers

G 1-2,6

IMC prioritizes transparency, fairness, and accountability within its procurement processes. To ensure ethical management of supplier relationships, IMC adheres to its established procurement guidelines that emphasize competitive, transparent, and fair practices. These are implemented through a detailed procurement management documents: Instruction on the Organization of Procurement at IMC Group Enterprises and Key Rules for the Formation of Electronic Memos and Invoices in Corporate Procurement.

IMC adheres to a transparent and structured tender procedure for the procurement of key goods, including fertilizers and seeds, to ensure that quality, price, and payment terms meet the organization's standards and requirements. This process includes an objective evaluation of suppliers based on quality and price criteria. IMC requires suppliers to meet specific quality criteria tailored to each category of goods. For example, fertilizers must conform to a predetermined chemical formula, and seeds must match the specified types and standards. For fertilizers and seeds, IMC operates on a 100% prepayment basis. All other categories of goods and services are payed within 10 working days. Pricing is carefully reviewed and compared among suppliers to ensure competitive value in line with IMC's budgeting and cost-efficiency goals. The internal customer within IMC holds the responsibility for preparing a comprehensive technical task for each tendered item, specifying the precise requirements and standards for the goods to be purchased.

All business units and regional entities must follow procurement principles, ensuring a standardized approach across the organization.

Key Aspects of Supplier Relationship Management

1. Strategy and Risk Management

   IMC's approach to supplier relationships is grounded on risk management and compliance principles. The company places significant emphasis on sourcing from reputable, reliable suppliers who are not included on international or national sanctions lists. IMC actively assesses suppliers based on both price and non-price factors, including product quality, delivery timelines, and the reliability of the supplier. This approach supports IMC's goal of mitigating supply chain risks and aligning with its sustainability objectives.

2. Late Payment Prevention Practices

   Standard payment terms in IMC are 3-5 working days. IMC acknowledges the importance of supporting small and medium enterprises (SMEs) within its supply chain. While IMC does not track a specific percentage of transactions involving SMEs, it follows practices designed to prevent late payments, thereby fostering positive relationships with these vendors. Internal controls and compliance checks help ensure that payments are made according to agreed-upon terms, respecting cash flow needs for smaller suppliers.

3. Social and Environmental Criteria in Supplier Selection

   IMC will continue integrating social and environmental criteria when selecting suppliers during 2025-2027. The organization's procurement guidelines will be developed to include a mandate for due diligence in evaluating suppliers' environmental and social practices, aligning with IMC's commitment to sustainability.

IMC's procurement and supplier relationship practices reflect a commitment to sustainable growth and risk mitigation, fostering a supply chain that upholds IMC's core values of transparency, integrity, and operational efficiency. Looking forward, IMC intends to continue strengthening its supplier engagement efforts, particularly by further developing sustainability criteria and support mechanisms for its suppliers in next 2 years.

Political influence and lobbying activities

G 1-5

IMC Group is committed to maintaining a politically neutral stance and does not engage in political influence or lobbying activities. IMC does not make financial or in-kind political contributions, either directly or indirectly, to any political parties, candidates, or campaigns.

Own workforce

At IMC, employees are the backbone of our mission to provide the world with quality and safe food. Guided by our core values—professionalism, responsibility, teamwork, and effectiveness—our people play a critical role in maintaining the Company's stability, profitability, and efficiency. Their initiative, commitment, and respect for others create a culture of trust and reliability, essential for building strong relationships with stakeholders. IMC is committed to fostering an environment of honesty, tolerance, and continuous development, ensuring that each employee has the opportunity to grow and contribute to our vision of being a responsible and trusted partner in the agricultural sector.

ESRS S1-1

IMC has implemented a range of key policies aimed at ensuring a safe, equitable, and supportive working environment for all employees. These policies include the prohibition of alcohol, narcotic, or toxic substance consumption at work, anti-discrimination policy based on sexual orientation and gender identity, ethnic and social origin, civil or family status, language, religious or other beliefs, political or other opinions, national or social origin, citizenship, economic status, association with a national minority, age, disability, health status, genetic characteristics, and other grounds. The company guarantees freedom of association and human rights principles compliance. Policies also cover employment of minors, working hours, overtime regulations, and labor relations with pregnant women and employees who have children, ensuring support for work-life balance.

In 2023, IMC introduced the Gender-Based Violence and Harassment (GBVH) Policy to prevent and combat gender-based violence and harassment in the workplace. This policy establishes clear responsibilities for all staff and management to prevent prohibited conduct, outlines reporting mechanisms, and details the process for handling complaints.

IMC also adheres to the "10 Rules of IMC," which prohibit discrimination, dishonesty, negligence, harassment, and corruption, fostering a culture of respect and integrity. To support these principles, IMC operates a Corporate Misconduct Hotline, established in 2019 via the Ethicontrol platform, providing both internal and external stakeholders a confidential mechanism to report violations and raise concerns.

The development and communication of these policies follow legislative guidelines, and employees are informed of updates through electronic mailings and the corporate portal.

Processes for engaging with own workers and workers' representatives and channels to raise concerns

ESRS S1-2;3; 18; 21

IMC recognizes the importance of engaging with our workers and their representatives to foster a positive workplace environment. To facilitate this engagement, we have established an automated system for grievance reporting and analysis, accessible at **imc.ethicontrol.com**

Our corporate hotline plays a crucial role in this engagement process, allowing employees to report potential breaches of internal regulations, such as discrimination, dishonest conduct, harassment, theft, and any form of corruption or bribery.

IMC is committed to protecting the anonymity of all informants and ensuring their protection, as long as it aligns with current legislation. All reasonable reports made through the hotline are processed diligently, and feedback is provided to whistleblowers, fostering a culture of transparency and trust.

No discrimination incidents were recorded during the reporting period.

In addition to the hotline, IMC actively engages with employees through regular updates via email and our corporate portal, ensuring that workers are informed about policies, procedures, and opportunities for engagement. We encourage open communication and collaboration with our workers and their representatives to enhance our workplace culture and address any concerns effectively.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities, taking action and approach to mitigate material risks related to own workforce

ESRS S-4, 5, 12,13

IMC is committed to fostering strong relationships with its workforce based on the principles of social dialogue, mutual respect, equality, and compliance with obligations and agreements. We believe in mutual responsibility and actively promote direct and open negotiations to resolve any conflicts or disagreements, in accordance with the current legislation of Ukraine.

Our approach to labor and social-economic relations is based on applicable Ukrainian regulation. IMC strictly prohibits any direct or indirect restrictions on rights, as well as the introduction of advantages or disadvantages when entering, amending, or terminating employment contracts based on factors such as origin, social status, race, nationality, gender, language, political views, religious beliefs, or membership in trade unions or other associations.

Additionally, IMC complies with the working time standards set forth by Ukrainian law. Our primary working schedule consists of a five-day work week, with standard working hours not exceeding 40 hours per week. This framework ensures that our workforce is treated fairly and equitably while promoting a healthy work-life balance. All employees are earning a fair wage.

As of December 31, 2024, 116 IMC employees are actively serving in the Armed Forces of Ukraine. All of our enterprises have been designated as critically important for the functioning of the economy and ensuring the livelihood of the population during this special period. Throughout 2024, approximately 50% of employees were granted official deferments from military service to continue fulfilling their professional responsibilities. Despite the challenges, the Group has managed to maintain a stable workforce without experiencing labor shortages, with all employees having returned to their roles in offices or production facilities.

Our 2025-2030 Employee Development Targets are aligned with the Personnel Development direction of the Smart Green Strategy approved in IMC since 2023.

- Develop a Code of Business Conduct for the company's employees by 2026 based on the 10 Rules of IMC.
- Develop an HR policy or integrate HR principles into the Code.
- Implement an evaluation and career development process by 2027.

Overall 2025 -2030 strategy in HR:

- Annual training program for personnel on the latest developments/technologies in Sustainable Agriculture and Precision Agriculture
- Motivational program for personnel “Smart Green Company” focused on the formation of a Sustainable Development Culture in the company and the involvement of employees in the implementation of relevant projects
- Formation of personnel reserve through cooperation with educational institutions and programs
- Reintegration of employees after service in the Armed Forces of Ukraine

Characteristics of the own employees

S 1-7

The average number of employees in 2024 was 1749. All employees are based in Ukraine and are hired through employment contracts, in accordance with the labor legislation of Ukraine.

Information on employees by contract type, broken down by gender:

Female	Male	Other*	Not Disclosed	Total
Number of employees (average head count)				
485	1264			1749
Number of permanent employees (average head count)				
477	1260			1737
Number of temporary employees (average head count)				
8	4			12
Number of non-guaranteed hours employees (average head count)				
Number of full-time employees (average head count)				
442	1215			1657
Number of part-time employees (average head count)				
43	49			92

*Not specified gender

Training and Skills Development indicators

S 1-9

Average number of training hours* by gender by employee in 2024

	Male	Female
Average number of training hours on average by employee	29,7	20,6

* total number of training hours offered to and completed by employees divided by the total number of employees.

Performance and career development reviews are not yet started in the Company and are a part of our strategy for the next 2 years.

Pay gap between woman and men

S 1-17

In 2024, the gender pay gap at IMC, calculated as the percentage difference in average pay levels between female and male employees relative to the average pay level of male employees, was approximately 25%.

It is important to note that the basic salary for the same positions is equal for both genders. However, due to the nature of agricultural jobs, roles traditionally held by men tend to have higher pay levels, which contributes to the observed pay gap.

Employment of persons with disabilities

S 1-19

IMC complies with Ukrainian legislation regarding the employment of persons with disabilities. As of the reporting date, persons with disabilities represent 7,1% of our total workforce.

Category	Total Workforce	Number of Workers with Disabilities	Percentage from Total Workforce
Male Employees	1264	98	5,6
Female Employees	485	26	1,5
Total Employees	1749	124	7,1

Health and Safety

ESRS S1-10,11

The activities of IMC enterprises strictly comply with the requirements of Ukrainian legislation in the field of Health, Safety, and Environment (HSE). In addition, 11 corporate standards and regulations on Health and Safety, along with 9 procedures on Environment, have been implemented at IMC. All IMC employees are covered by the company's HSE management system.

List of IMC HSE Corporate Standards:

H&S Corporate standards		Environmental Procedures	
1	Critical HSE rules at IMC	1	Procedure for the use and protection of water resources
2	HSE management committee	2	Procedure for the collection, temporary storage, and transfer for disposal (processing) of used petroleum products (lubricants, oil sludge, etc.).
3	PPE and safety clothes requirements	3	Procedure for the collection, temporary storage, and transfer for disposal (processing, removal) of used batteries.
4	Norms for PPE for employees	4	Procedure for the collection, temporary storage, and transfer for disposal (neutralization) of used containers from pesticides and agrochemicals.
5	PPE and Safety clothes handling after expire period	5	Procedure for the collection, temporary storage, and transfer for disposal (neutralization) of used fluorescent lamps.

6	Regulation on the CEO's Award in the field of Occupational Safety, Industrial Security, Environmental Protection, and Health Protection	6	Procedure for the collection, temporary storage, and transfer for disposal (neutralization) of waste contaminated with petroleum products (oil-soaked sand and rags, fuel and oil filters).
7	Road Safety Standard	7	Procedure for the collection, temporary storage, and transfer for recycling of waste as secondary raw materials (paper, glass, polyethylene, etc.).
8	Procedure for transmitting operational messages at IMC company.	8	Procedure for the collection, temporary storage, and transfer for recycling (disposal) of used automotive tires.
9	Standard JSA (Job Safety Analysis)	9	Procedure for organizing work to obtain permit documentation in the field of environmental protection.
10	Safety Audits Standard		
11	Root cause analyses Standard		

IMC's corporate standards provide a unified approach to health, safety, and environmental (HSE) management across both its enterprises and contractors. All internal standards and regulations are developed in alignment with IMC's HSE Policy and Principles (available on IMC's website: www.imcagro.com.ua). These standards aim to foster a positive culture of safety, emphasizing the responsibility of managers for the safety of their teams, and encouraging employees to take ownership of their own safety as well as the safety of those around them.

Characteristics of the IMC safety management system

ESRS 2 GOV 2

IMC ensures that its administrative, management, and supervisory bodies are well-informed about the overall health and safety management performance. This responsibility is operationalized at the management level through the following measures:

- All new employees receive induction Health, Safety, and Environment (HSE) training and sign to comply with Critical HSE rules as per IMC standards.
- The Head of HSE is present during IMC's weekly operational meetings to report on accidents and corrective action plans.
- Site directors are accountable and responsible for HSE at their respective sites, with dedicated HSE engineers coordinating HSE activities and performance.

AG 106: Workers' and Workers' Representatives Participation

IMC actively involves workers and their representatives in the health and safety management process. This participation is aimed to improve HSE system effectiveness. Specific measures include:

- Regular consultations with workers and their representatives to receive feedback and suggestions on health and safety practices.
- Inclusion of workers' representatives in health and safety committees to ensure their voices are heard in decision-making processes.

AG 107: Additional Disclosures

Health and safety topics are reported internally on a weekly basis during operational meetings. HSE manager is a part of weekly senior management team meeting. The company has established a process for setting and monitoring health and safety targets. This includes regular safety audits (both technical and behavioral), which are key performance monitoring indicators described further in subsequent sections of this report.

Performance measures include the frequency and outcomes of safety audits, accident rates, and the effectiveness of corrective action plans. These measures are monitored and reviewed regularly to ensure continuous improvement in health and safety standards.

The Chief Sustainability Officer is responsible for the development and rollout of the HSE strategy at the company level, ensuring alignment with IMC's overall sustainability goals.

Our Principles of HSE management success:
- Leading role of managers of any level in safety management
- Consistent and systematic work performed to identify sources of the hazard, to assess and mitigate risks
- Thorough analysis of incidents in order to make conclusions and prevent the recurrence
- Interaction with all the stakeholders, including contractors, in order to achieve the best results.

IMC Health & Safety Investments, thousands UAH (2015-2024)

Year	Thousands, UAH
2015	1061
2016	1908
2017	3927
2018	4732
2019	5609
2020	5835
2021	4647
2022	1466
2023	2084
2024	5306

S 1-11

In order to improve the ability to respond to emergencies and take timely necessary management decisions, IMC introduced the procedure for transferring prompt information on events, which governs the prompt transfer of information on events from the enterprises to the HSE Department of IMC. The Company has introduced the new format to collect the statistical information, which enables calculating the performance indicators to be compared with indicators of companies all over the world. In particular, the Lost Time Injury Frequency (LTIF) ratio, which is calculated per millions of man-hours worked, has been introduced.

Total number of employees' LTIs (including fatalities and natural deaths) is shown since 2015 in the table below:

Year	LTIF	FFR
2015	1.195	0
2016	0.806	0.201
2017	0.724	0
2018	0.216	0
2019	0.763	0
2020	1.385	0.277
2021	0.561	0
2022	0.534	0
2023	1,56	0,933
2024	0,897	0

The following table presents a comprehensive overview of our injury indicators from 2015 to 2024. This data reflects our ongoing efforts to monitor and improve workplace safety. and help us identify trends, assess the effectiveness of our safety programs, and implement necessary improvements to achieve our goal of zero harm.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Injury	3	2	3		3		1	1	1	2
Severe injury	3	1		1		4	1		4	1
Natural deaths	3	1	0					1	0	-
[1]LTIF	1.195	0.806	0.724	0.216	0.763	1.385	0.561	0.534	1.56	0.897
[2]FFR	0	0.201	0	0	0	0.277	0	0	0.933	0
Days lost from work-related accidents	155	83	100	96	102	348	139	86	42	148

[1] LTIF – Lost Time Injury Frequency – a universal international indicator. The LTIF shows the rate of Lost Time Injuries per 1 million of workhours. Calculated as the number of LTIs (including fatalities) divided by the number of workhours and multiplied by 1 000 000. (LTIF = LTI * 1 000 000 / WH).

[2] FFR – a Fatality Frequency Rate. Universal international indicators adopted in the industry. The FFR shows the rate of fatal incidents (FI) per a million of workhours. (FFR = FI * 1 000 000 / WH)

Total number of recordable accidents in 2024 is 3, there were no cases of recordable work-related ill health.

Incident root causes analysis

Incident Root Cause Analysis Procedure has been adopted to conduct corporate investigations of safety accidents and other incidents. According to its methodology, we conduct a thorough investigation into all accidents and incidents, identify the causes of the events, and take proper actions to prevent the recurrence thereof. The managers of any level at IMC are trained on the fundamentals of this methodology, and some of them study it thoroughly and act as experts - methodologists. The important condition for efficient work to prevent incidents at IMC enterprises is to disseminate primary information on the incidents that is obtained directly after the event. Primary information on the incident is disseminated by means of the special document made as News Flash or Bulletin. The dissemination procedure and format of the document depends on the level of severity or degree of implications of the incident.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S 2-4

IMC is committed to ensuring safe working conditions at all its enterprises, the safety of technological processes, machinery, equipment, and employees. The company provides personal protective equipment (PPE) in quantities exceeding the requirements of Ukrainian legislation, ensuring enhanced protection for employees. IMC also ensures compliance with sanitary conditions in line with labor protection regulations. In cases of serious accidents, IMC conducts an analysis to assess their potential occurrence at other sites and develops corrective actions to be implemented across all facilities, fostering continuous improvement in safety standards.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S 2-5

IMC is committed to ensuring the safety and well-being of all employees, contractors, and stakeholders involved in our operations. We continuously strive to manage and mitigate health and safety risks, and we aim to enhance our positive impact on occupational safety through defined targets and programs.

Zero Fatalities Target: In alignment with our commitment to safety in production processes, IMC has set a zero fatalities target for all production-related activities. This goal reflects our dedication to preventing severe accidents. We are focused on implementing rigorous safety measures, conducting regular safety inspections, periodical medical examination of employees and ensuring that all employees are trained to maintain a safe working environment.

Our H&S 2025-2027 targets and objectives

1. Zero fatalities.
2. By 2030, reduce the level of workplace injuries (LTIFR value) by 40% from the 2023 baseline year among company employees and contractors. Continue efforts to increase transparency in the IMC group's reporting system in the areas of Health, Safety, and Environmental Protection.
3. Increase the frequency of safety audits with the involvement of IMC senior management at all IMC's sites (50 audits per site per year).
4. In 2025, develop a phased plan for preparing IMC sites for certification in line with the international ISO 45001 standard.
5. Continue the implementation of existing and new corporate Standards in Health, Safety, and Environmental Protection, and develop and implement a standard on Contractor management during 2025-2027.
6. Achieve compliance with legal requirements in the fields of Occupational Health and Safety (OHS), industrial safety, and fire safety training. Organize training on internal corporate Standards for line managers with the support of internal trainers.
7. Continue implementation of safety culture across IMC sites.
8. Develop and Implement Road Safety Management system compatible with the requirements of ISO 39001 standards till Q4 2025

IMC monitors progress toward these targets through tracking incident rates, safety behavioral and technical audit results, action plans implementation. These indicators are reported regularly to the management team and stakeholders to ensure transparency and accountability.

Trainings for the employees on health and safety

The training of employees on Health and Safety at IMC enterprises is carried out in two directions:

- Mandatory training in accordance with the requirements of the current legislation of Ukraine
- Training on the requirements of internal Corporate Standards and Regulations

Training on the application of specific Corporate Standards follows the cascade principle. This process begins with a meeting between the enterprise manager and their immediate subordinates, during which a presentation prepared by the IMC HSE Department is delivered. Subsequently, managers at each level conduct similar meetings with their direct reports, ensuring that the information is effectively communicated throughout the organization. Mandatory trainings are provided in accordance with the requirements of the current legislation of Ukraine Training on the requirements of internal Corporate Standards and Regulations

	The number of IMC employees, who have undergone training in accordance with the regulatory legal acts on Health and Safety			
	2021	**2022**	**2023**	**2024**
In educational and production centers	372	140	280	320
Training conducted by internal commissions of IMC enterprises	1 411	1 280	1 304	1 323
Budget spent for external HSE trainings, UAH	223 910	119 039	242 948	280 020

Starting from 2022, due to the full-scale invasion of Russia into Ukraine and hostilities that took place in most of the regions where IMC enterprises operate, the HSE Department of IMC conducted:

- Measures to inform and explain the IMC employees' actions during an emergency or war.
- Information about the location of shelters and the order of behavior in shelters was provided. Training on providing pre-medical assistance was conducted.
- Training with the participation of local emergency services representatives regarding actions in case of detection of suspicious objects (explosives, mines, etc.).
- The Association of Sappers of Ukraine conducted training for IMC employees on mine danger and handling of suspicious objects.

Safety audits

IMC has adopted the Regulations on Safety Audits, pursuant to which managers of any level, including the senior executives from IMC head office and managers of regional enterprises, regularly visit production sites in order to supervise operations and working conditions. During an audit, managers adjust the hazardous actions of their employees and appreciate safe working practices. The Regulations on Safety Audits provides 2 types of audits:

- Behavioural Safety Audits - focused on the actions of employees
- Technical Safety Audits - focused on hazardous conditions (on the state of equipment, compliance with the rules during performing certain types of work, etc.)

In 2022, given that hostilities and frequent air alarms pose a direct threat to the company's employees, the number of Safety Audits was significantly reduced. However, we have not abandoned this practice altogether, considering the importance of conducting safety audits in the company's production activities.

	2021		**2022**		**2023**		**2024**	
	Behavioural Safety Audits	Technical Safety Audits	Behavioural Safety Audits	Technical Safety Audits	Behavioural Safety Audits	Technical Safety Audits	Behavioural Safety Audits	Technical Safety Audits
The number of conducted Safety Audits	399	434	132	109	377	352	264	290
The number of conversations held on safe situations	542	-	159	-	458	-	451	-

The number of eliminated hazardous situations	234	-	54	-	211	-	149	-
The number of violations/ inconsistencies detected during the Technical Safety Audits	-	315	-	109	-	367	-	348

At IMC, we are committed to the highest health and safety standards, applying additional measures that go beyond compliance to ensure the well-being of all employees and stakeholders across our operations. These enhanced practices are detailed below:

1. Cardinal Health & Safety Rules

IMC has implemented the "Cardinal Rules of Occupational Safety and Industrial Security," commonly referred to as the Life-Saving Rules, across all enterprises. These rules are essential to preventing incidents that could lead to serious or fatal injuries, fires, and other severe workplace accidents. Five of the ten cardinal rules apply universally across all IMC enterprises, while the remaining five are adapted to the unique needs of elevator operations and agricultural activities.

The Cardinal Rules apply to all personnel without exception, including IMC employees, contractors, visitors, and temporary workers. Violating these rules is considered a serious breach of workplace discipline, with disciplinary actions up to and including dismissal. All employees are formally introduced to these rules and sign an acknowledgment. Communication campaigns, including corporate media and posters in common areas, reinforce awareness. Training is based on a cascading approach, beginning with the General Director and filtering down through each level of management to individual workers.

2. Work Safety Analysis Standard (WSA)

The implementation of the Work Safety Analysis (WSA) Standard is aimed at protecting employee health and safety during operations. This corporate standard outlines specific steps to ensure consistent safety measures and encourages employees to evaluate potential hazards before and during work. Key goals of the WSA system include:

- Standardizing actions for individual and group work before and during operations.
- Developing skills for regular hazard risk assessment and effective protective measures development.
- Promoting a disciplined approach to workplace safety.
- Ability to detect potential hazards.

Training in WSA follows the cascading information-sharing method, starting from senior leadership and reaching all personnel. This training is regularly repeated during onboarding, annual training, and refresher courses to maintain high awareness levels.

3. Collaboration with Local Emergency Services

In cooperation with local emergency services, IMC has organized safety trainings for employees on actions to take in the presence of suspicious objects, such as explosives. Training emphasizes the "Three Golden Safety Rules" to effectively guide employees in such situations.

4. Safety Guidelines during harvest season

To ensure a safe harvest season, IMC prepares informational materials for employees, such as the "Harvest 2024 Guide." The guide describes the importance of fire safety measures in grain collection, processing, and storage areas. It addresses common fire risks, including careless handling of fire, straw burning, and improper equipment operation. Recognizing the additional risk of explosive objects in agricultural areas, IMC conducts preventive and informational campaigns to promote fire safety and preparedness throughout the harvest season.

Environment

Climate change

Transition plan for climate change mitigation

E 1-1

IMCs Smart Green Strategy is an integral part of its commitment to responsible environmental stewardship and sustainable development. This strategy focuses on enhancing operational efficiency, minimizing fossil fuel consumption, and reducing greenhouse gas (GHG) emissions, all aimed at addressing climate change while preserving natural resources. By investing in soil fertility and health, IMC ensures that agricultural practices contribute to long-term sustainability.

IMC has implemented a corporate-wide Decarbonization Action Plan to achieve targeted reductions in greenhouse gas (GHG) emissions by 2030. The plan integrates specific measures for both FLAG (Forest, Land, and Agriculture) and Non-FLAG activities, reflecting the Company's commitment to sustainable agriculture and alignment with international climate goals.

IMC aims to achieve a total reduction of 10 000 tons GHG emissions by 2030 relative to the 2020 baseline, including sequestration and removals. This includes:

- Reduction of FLAG emissions: Focused on crop management practices adjusted for 2020 yield levels and crop areas.
- Reduction of Non-FLAG emissions: Addressing emissions in processing, transportation, and energy use.

The Company has outlined a progressive implementation schedule (2024–2030) for agro-related activities, including:

- Deep Loosening: Expanding from 14,000 ha in 2024 to 35,000 ha by 2030.
- Cover Crops: Scaling from 100 ha in 2024 to 2,000 ha by 2030.
- Strip-Tillage: Introducing 100 ha in 2025, increasing to 2,000 ha by 2030.
- Nitrification Inhibitors: Growing from 100 ha in 2025 to 10,000 ha by 2030.
- Green Ammonia Use: Starting at 100 ha in 2025 and expanding to 10,000 ha by 2030.

IMC's measures are strategically allocated to reduce emissions across its major crop activities, ensuring optimization of FLAG and non-FLAG sectors.

The governance structure ensures alignment of decarbonization efforts with long-term business strategies and compliance with global sustainability standards.

This transition plan highlights IMC's dedication to implementing practical and scalable solutions to mitigate climate impacts while improving agricultural resilience and operational efficiency.

Policies related to climate change mitigation and adaptation

E 1-2

IMC's Policy on Occupational Health, Safety, and Environmental Protection outlines the Company's approach to managing material impacts, risks, and opportunities related to climate change mitigation and adaptation. These policies are central to IMC's commitment to sustainable and socially responsible business practices.

Key Areas Addressed in the Policy are:

- Climate Change Mitigation: Reducing greenhouse gas emissions through energy efficiency, adopting renewable energy, and implementing sustainable agricultural practices.
- Climate Change Adaptation: Enhancing resilience via improved land and water management, addressing soil health risks, and collaborating with stakeholders to manage climate impacts.
- Energy Efficiency and Renewable Energy: Modernizing operations to optimize energy use and increasing the share of renewables in the energy mix.
- Environmental Protection: Minimizing pollution, phasing out hazardous substances per the EU Chemicals Strategy, and prioritizing emergency preparedness.

IMC ensures these policies are integrated into daily operations and strategic planning through regular risk assessments, stakeholder engagement, and continuous improvement. This framework reflects the Company's dedication to global climate goals and sustainable development.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3; ESRS 2 IRO-1

IMC conducted an evaluation of both physical and transition risks and opportunities, assessing their financial implications and strategic importance. The analysis focused on acute and chronic physical risks under climate scenarios based on Representative Concentration Pathways (RCPs), specifically RCP 1.9 (1.5°C scenario) and RCP 8.5 (>3°C scenario), and transition risks related to regulatory, technological, and market changes.

IMC has conducted a comprehensive resilience analysis of its strategy and business model to assess exposure to climate-related material impacts, risks, and opportunities. The assessment focuses on:

- Physical risks including changing temperature patterns, extreme weather events, and soil degradation.
- Transition risks related to carbon pricing, regulatory changes, and shifts in consumer preferences towards sustainable products.
- Opportunities stemming from carbon farming, resource efficiency improvements, and sustainable financing mechanisms.

This analysis covers the entire value chain, including upstream suppliers, own operations, and downstream markets, ensuring a holistic understanding of climate resilience.

IMC's resilience analysis is aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and integrates climate scenario analysis as per the Disclosure Requirement ESRS 2 IRO-1. The key steps include:

- Climate Risk and Opportunity Identification:
  - A detailed risk mapping exercise was conducted to identify physical and transition risks across IMC's business segments.
  - A materiality assessment was performed to prioritize the most significant risks and opportunities.
- Scenario-Based Stress Testing:
  - IMC utilized two primary climate scenarios based on NGFS (Network for Greening the Financial System) models:
    - NDC Scenario (Nationally Determined Contributions): Assumes moderate climate action with incremental policy changes.
    - Net Zero 2050 Scenario: Assumes aggressive decarbonization pathways with high carbon pricing and strict regulatory measures.
- Financial Impact Assessment:
  - The company modeled the impact of carbon pricing, extreme weather conditions, and regulatory shifts on revenue, costs, and EBITDA projections.
  - Estimated costs associated with carbon pricing mechanisms, including participation in the EU ETS (Emissions Trading System).

The results of the resilience analysis indicate:

Physical Risk Findings:

- Rising temperatures could impact crop yields, necessitating investment in adaptive agricultural techniques.
- Extreme weather events pose a risk to infrastructure and logistics, requiring improved climate adaptation strategies.
- Soil degradation and moisture loss can be mitigated through carbon farming, reduced tillage, and cover cropping.

Transition Risk Findings:

- Higher carbon pricing under a Net Zero 2050 scenario could increase operational costs by a significant margin, requiring low-carbon solutions.
- Regulatory compliance costs could rise due to EU sustainability policies, reinforcing the need for taxonomy-aligned investments.
- Sustainable financing mechanisms (e.g., green bonds, carbon credit markets) could provide new revenue opportunities.

Opportunities and Business Model Adaptation:

- Carbon Farming Integration:
  - Adoption of carbon sequestration techniques and participation in voluntary carbon markets can generate additional revenue.
  - IMC estimates a GHG emissions reduction potential through reduced tillage and improved soil management.
- Energy Transition:
  - Increasing reliance on renewable energy sources (biomethane, biofuels, and solar energy) to reduce exposure to fossil fuel volatility.
  - Deployment of energy-efficient machinery to lower fuel consumption and emissions.
- Market Differentiation:
  - Potential for premium pricing on low-carbon commodities.
  - Diversification into alternative protein markets (e.g., soy, peas) due to shifting consumer demand.

IMC remains committed to enhancing its resilience to climate risks while leveraging opportunities for sustainable growth and financial stability.

Material Physical Risks, Impact and Opportunities

IMC recognizes that climate change, environmental degradation, and socio-economic challenges pose material impacts, risks, and opportunities that directly interact with our strategy and business model. To address these challenges and opportunities, IMC applies a robust Impact and Double Materiality Scoring Methodology that ensures a systematic and data-driven approach to identifying, prioritizing, and managing sustainability-related topics.

The IRO methodology used to identify risks, impacts, and opportunities involves three key scoring frameworks:

1. Impact Materiality Scoring evaluates the severity, scale, scope, and irremediability of events affecting the environment or society. Impacts are categorized into four levels: Strategic (irreversible, widespread, and hard to compensate), Major (severe but partially repairable), Moderate (localized and reparable), and Limited (minor, easily repaired).
2. Financial Materiality Scoring assesses how risks or opportunities affect IMC's financial health (e.g., EBITDA, CAPEX) and reputation. Financial impact severity is linked to thresholds, while reputational impact is gauged by media and stakeholder attention, from local to international.
3. Frequency Scoring measures the likelihood of events, ranging from Rare (<20% probability) to Strategic (>70% probability), determining how often risks or opportunities may arise.

These methodologies combine severity and frequency to prioritize actions effectively.

The results of IRO assessment are presented in Table summary below.

Type of IRO	Description	Stage of the value chain	Time horizon (risks, opportunities)	Scale	Scope	Irremediability	Rationale	Rationale
Risk	Crops losses during acute events (e.g. considerations of the relevant historical events like stormy winds, drought, heatwaves etc.)	Operations	Short-term					Loss of revenue due to acute events
Risk	Increased vulnerability of winter crops from reduced snow cover	Operations	Short-term					Decrease of winter crops yeild, resulting in the loss of revenue
Negative impact	Decline in groundwater storage and recharge	Operations		2	2	1	The impact is considered to be repairable. While its probability is low, we consider the severity and scale of the impact to be moderate	
Negative impact	Reduced capacity of the soil to retain moisture as a result of erosion from extreme wind or water events	Operations		2	1	3	The scope is low because the impact is localized. The results are assessed as moderate damage (scale). However, the irreversibility of the erosion impact is considered high. The likelihood is considered low	
Negative impact	Increased moisture evaporation from the soil surface	Operations		4	4	4		
Negative impact	Intensified decomposition of humus resulting in decreased soil fertility	Operations		4	4	4		
Opportunity	Water resource savings thanks to water conservations practices, allowing to be less dependent on irrigation and reduce water supply costs (water savings practices application)	Upstream						When spraying the fields, we use the working solution pouring rate of 50-100 l/ha. Generally accepted standards in Ukraine are 150-200 l/ha. With an average application on 380-400 thousand hectares, water saving is 38-40 thousand m3 every year

Opportunity	Increased revenues resulting from increased production capacity due to more suitable climate condition for crops	Operations						Increase of revenue due to rising yeilds
Opportunity	Ability to diversify business activities thanks to new cultivable crops due to rising warmer climate (e.g. soybean for EU protein autonomy, peas etc for alternative protein market, etc.) and other biobased industries (technical hemp for construction, textile sector etc.)	Operations	Midterm					New revenue streams due to formation of alternative product portfolios
Risk	Yield volatility due to climatic conditions and CO2 concentrations	Operations						Revenue volatility due to fluctuations in annual crop yields
Negative impact	Impact of working conditions/layoffs if company assets are subject to extreme events	Upstream + Operations		2	3	2		
Risk	Increase of fertilizers & CPP and supply cost due to carbon cost increase (tax, quotas, CBAM …)	Upstream						Increased OPEX because of higher costs for fertilizers and crop protection products
Risk	Increase of technology related costs due to technology changes/ improvements (such as biofuel price, higher service price for new generation of equipment etc.)	Upstream						Higher CAPEX and OPEX, reducing net profit and potentially requiring additional financing
Risk	Fines in case of non compliance with environmental regulations	Operations	Short-term					Expenses due to fines and penalties
Risk	Increase in Capex due to mandatory equipment changes (green vehicles, energy efficiency equipment…)	Operations	Short-term					Significant CAPEX reduces short-term profitability
Risk	Reduced yield due to greener technology	Operations	Long-term					Decreased revenue due to lower crop yields

Risk	Increase in Capex related to investments in carbon sequestration solutions for the agricultural sector to increase soil carbon level (like tillage, cover cropping, soil restauration etc.) due to ambitious emission target	Operations						Higher expenses for decarbonization strategy realization
Risk	Increase in internal railway freight costs due to carbon cost increase (tax, quotas, CBAM…)	Downstream	Short-term					Increased OPEX, reducing overall profitability
Opportunity	Potential further partnerships with suppliers and offtakes to standardize sustainable commodity pricing.	Upstream						Increased revenue and improved pricing stability, enhancing long-term financial planning
Opportunity	Putting into operation new agricultural practices, such as regenerative farming practices, could increase carbon and nitrogen storage into the soil, with environmental end economic benefits and reduced need for agricultural inputs.	Operations	Long-term					Reduced OPEX and potential revenue growth through improved crop yields
Positive impact	Reduced dependance on energy supply thanks to self-production of green electricity, gas and fuels.	Operations		2	2			
Opportunity	Additional incomes as measures taken to reduce GHG emissions can create possibility to sell carbon credits.	Operations						New revenue stream from selling carbon credits, positively impacting overall revenue and profitability
Opportunity	Use of private-sector incentive (opportunity to access green/sustainable financing)	Operations	Midterm					Lower financing costs and increased access to capital, improving profitability
Positive impact	Ability to diversify business activities thanks to biofuel and/or biomethane and/or biofuels	Operations		2	2			

	production, to answer the growing demand							
Opportunity	New revenue stream related to the low-carbon commodities (e.g. price premiums, carbon offsets)	Downstream	Short-term					Increased revenue from premium pricing and carbon offsets
Positive impact	Sequestration and deep ripping	Operations		1	2			
Negative impact	GHG emissions from operational activities	Upstream + Operations + Downstream		2	2	2		
Risk	Increase of prices and volatility of energy	Upstream	Short-term					Higher OPEX due to increased energy expenses
Opportunity	Reduced in energy supply costs and volatility thanks to the development of green energy and the replacement of fossil fuels.	Upstream	Long-term					Lower operational costs (OPEX) due to lower energy prices
Positive impact	Reduced dependance on energy supply thanks to self-production of green electricity, gas and fuels.	Operations		2	2			
Opportunity	Decrease in operational costs thanks to scaling up existing and implementation of more efficient technologies.	Operations						Decrease in OPEX due to effective use of resources
Positive impact	Produce the biomethane for sale	Operations + Downstream		2	2			
Positive impact	Substitute of natural gas by the alternative type of fuel (pellets, waste grains) in dryers	Operations		2	3			
Positive impact	Upgrade of grain trucks, which contributes to the reduction of diesel consumption	Downstream		2	2			
Negative impact	GHG emissions from energy use	Upstream + Operations + Downstream		2	2	2		

Based on analyses, key risks include crop losses from acute weather events, yield reductions from reduced snow cover, and annual yield volatility caused by changing climatic conditions and CO2 levels. Additionally, rising input costs (fertilizers, crop protection products, and technology upgrades) and energy price fluctuations pose significant challenges to operational efficiency and profitability. Regulatory non-compliance fines and increased capital expenditures for green technologies further highlight the financial risks tied to environmental performance.

Negative impacts primarily involve soil and water resource degradation, such as reduced groundwater recharge, soil erosion, and decreased soil fertility due to humus decomposition. These issues have varying degrees of irremediability, with some requiring long-term recovery efforts. GHG emissions from operational activities across the value chain also contribute to environmental concerns, demanding robust mitigation measures to align with sustainability goals.

On the opportunities side, the adoption of water conservation practices, crop diversification, and regenerative farming presents significant potential for cost savings and revenue growth. For instance, improved spraying techniques have already led to substantial water savings, while warmer climates enable the cultivation of alternative crops, creating new revenue streams. Additionally, green energy initiatives, carbon credit monetization, and premium pricing for low-carbon commodities offer financial benefits while reducing environmental impact.

By integrating these risks and opportunities into its strategy, the IMC aims to enhance resilience, maintain profitability, and adapt its business model to evolving market and regulatory demands. This approach aligns with the company's long-term vision of sustainable growth and resource efficiency.

Energy consumption

E 1-5

IMC's energy mix indicates a reliance on non-renewable energy, with 90% of total energy consumption derived from non-renewable sources, predominantly natural gas. Renewable energy sources constituted 10% of the total energy consumption, driven solely by fuel consumption from biomas.

The current energy consumption mix reflects IMC's operational energy requirements and dependence on natural gas as a primary energy source. Moving forward, IMC recognizes the importance of increasing the share of renewable energy in its energy mix to align with global climate goals and the transition to a low-carbon economy.

IMC plans to explore opportunities for enhancing its energy efficiency and increasing its use of renewable energy sources through initiatives such as:

- Adoption of renewable energy technologies, including solar power installations.
- Implementation of energy efficiency measures across its operations.
- Collaboration with energy suppliers to increase the share of purchased renewable energy.

Table 1 information on Energy consumption and mix

Energy consumption and mix	Metric	2023	2024
Total energy consumption	**MWh**	**168 760,14**	**68 172,53**
Fuel consumption from coal and coal products	MWh	-	-
Fuel consumption from crude oil and petroleum products	MWh	-	-
Fuel consumption from natural gas[3]	MWh	140 430,00	55 422,68
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	MWh	11 200,14	8 905,85
Total non-renewable energy consumption	**MWh**	**151 630,14**	**64 328,53**

[3] Gas consumption calculated based on average quality of natural gas (coefficient 10,55 was applied)

Energy consumption and mix	Metric	2023	2024
Share of non-renewable sources in total energy consumption	%	90	94
Fuel consumption for renewable sources (including biomass, biogas, nonfossil fuel waste, renewable hydrogen, etc)[4]	MWh	17 130	3 844
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	0	0
The consumption of self-generated non-fuel renewable energy	MWh	0	0
Total renewable energy consumption	MWh	17130	3844
Share of renewable sources in total energy consumption	%	10	6

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

IMC adheres to the GHG Protocol Standards and the IPCC Guidelines for the calculation and reporting of greenhouse gas (GHG) emissions. The global warming potential (GWP) values used in the inventory are derived from the IPCC Sixth Assessment Report, 2022 (AR6). This ensures alignment with the latest scientific methodologies for evaluating climate impacts.

The methodologies applied to calculate GHG emissions across Scopes 1, 2, and 3, as well as biogenic emissions, are detailed below:

Scope of emissions	Methodology
Scope 1 and biogenic emissions	GHG Protocol «A Corporate Accounting and Reporting Standard» GHG Protocol «Agricultural Guidance. Interpreting the Corporate Accounting and Reporting Standard for the agricultural sector»; 2006 IPCC Guidelines for National Greenhouse Gas Inventories; 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; US EPA (United States Environmental Protection Agency) «Greenhouse Gas Inventory Guidance. Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases»; Ministry of Environmental Protection and Natural Resources of Ukraine / UNFCCC (United Nations Framework Convention on Climate Change) «Ukraine's Greenhouse Gas Inventory. Annual National Inventory Report for Submission under the United Nations Framework Convention on Climate Change and the Kyoto Protocol»; Ministry of Environmental Protection and Natural Resources of Ukraine. Methodological recommendations for estimating greenhouse gas emissions by type of activity of installations.
Scope 2	GHG Protocol. Scope 2 Guidance; IEA (2023) Emission Factors (https://www.iea.org/terms)
Scope 3	GHG Protocol. Corporate Value Chain (Scope 3) Standard; Scope 3 Calculation Guidance; GHG Protocol, Scope 3 Evaluator; Department for Environment, Food & Rural Affairs of UK, UK and England's carbon footprint to 2019; United Nations, IFI Default Grid Factors 2021 v3.2; United States Environmental Protection Agency, GHG Emission Factors Hub; Ministry of Environmental Protection and Natural Resources of Ukraine / UNFCCC (United Nations Framework Convention on Climate Change) «Ukraine's Greenhouse Gas Inventory. Annual National Inventory Report for Submission under the United Nations Framework Convention on Climate Change and the Kyoto Protocol»; EPA Center for Corporate Climate Leadership. 2023 GHG Emissions Factors Hub

[4] Converting values for biomass energy units:
Biomass Energy Units

- 1 metric tonne bone dry wood fuel = 18 GJ = 5 MWh = 500 litres oil = 500 m^3 natural gas
- 1 tonne air-dry wood fuel = 3 MWh = 11 GJ
- 1 cubic metre of wood chip = about 1.0 MWh = 3.6 GJ
- 1 barrel of oil = 6.1 GJ = 1.7 MWh, = 1.7 m^3 wood chip = 0.5 m^3 solid bone-dry wood
- 1 m^3 solid bone-dry wood = 0.68 tonnes

Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

	Retrospective		
	Base year (2020)	**2023**	**2024**
Gross Scope 1 GHG emissions (tCO2eq)	112 544,88	98 178,56	107 799,60
FLAG emissions	98 042,79	78 785,04	94 540,40
FLAG removals	(9 210,98)	(12 360,55)	(3 593,46)
Scope 1 non-FLAG Emissions	23 713,07	31 754,07	16 852,66
Gross location-based Scope 2 GHG emissions (tCO2eq)	3 174,52	3 246,92	2 581,81
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	102 110,02	73 355,29	114 248,71
FLAG emissions	88 176,80	58 619,85	83 092,66
Purchased goods and services	615,71	1 146,86	4 682,48
Purchased capital goods	1 160,27	3 989,79	6 469,94
Fuel and energy-related activities	Not calculated	354,8	374,9
Upstream transportation and distribution	Not calculated	Not calculated	153,15
Downstream transportation and distribution	867,06	1 246,87	1710,18
Employee commuting	Not calculated	1 383,14	1 383,14
Waste emissions	145,28	266,03	200,05
Leased assets	30,53	20,95	25,20
End-of-life treatment of finish product	11 114,37	6 676,56	16 525,82
Total GHG emissions (location-based) (tCO2eq)	217 829,42	174 780,77	224 630,11
Total GHG emissions (location-based) per net revenue (tCO2eq/US $ thousand)	1,35	1,25	1,06

GHG removals and GHG mitigation projects financed through carbon credits

E 1-7

In 2024 the Company did not purchase nor intended to purchase carbon credits from the voluntary market.

Internal carbon pricing

E 1-8

IMC does not apply internal carbon pricing schemes to support decision making and incentivise the implementation of climate-related policies and targets.

Potential financial effects from material physical and transition risks and potential climate-related opportunities

E 1-9

The Company has conducted a detailed scenario-based financial modeling to evaluate the potential financial effects of material physical and transition risks, as well as climate-related opportunities. The assessment incorporates two climate scenarios (NDC and Net Zero 2050) developed in line with NGFS methodology and TCFD guidance.

The model quantifies impacts on key financial indicators, such as revenue, EBITDA, EBITDA margin, and operating cash flows, across different years. For example, under a Net Zero 2050 scenario, carbon pricing and higher input costs result in a visible reduction of EBITDA margin from ~26% (2020) to ~18% (2028), while adaptation measures and shifts in yield performance influence revenue volatility and investment needs.

Opportunities such as reduced OPEX through regenerative farming and green energy integration are also reflected in long-term improvements in cash flow and cost stability.

These financial effects are embedded in IMC's climate resilience planning and are used for strategic decision-making. A more detailed disclosure of scenario assumptions and quantified impacts is planned for future reports to align with ESRS E1-9 in full.

Pollution

E 2-1

IMC has implemented a range of policies and procedures to address material impacts, risks, and opportunities related to pollution prevention and control. These policies are integrated into the company's Health, Safety, and Environmental (HSE) Policy and guide the identification, assessment, management, and remediation of pollution-related issues across its operations and value chain.

Mitigating Negative Impacts Related to Pollution of Air, Water, and Soil

IMC has established specific procedures to minimize pollution and its associated impacts on air, water, and soil within its operations and supply chain. These include:

- Water Protection: The Procedure for the Use and Protection of Water Resources outlines measures to prevent water contamination and optimize water usage. This includes managing agricultural runoff and implementing water conservation practices to reduce pollution impacts on local water systems.
- Waste Management: IMC's comprehensive waste management procedures address the responsible collection, temporary storage, and transfer for recycling or disposal of various waste streams, including used petroleum products, batteries, pesticide containers, fluorescent lamps, and other hazardous and non-hazardous waste. These procedures are designed to prevent soil and water contamination and promote waste recovery and recycling.
- Air Pollution Control: The company works to minimize emissions from its operations by optimizing energy use and transitioning to lower-carbon energy sources. Efforts include the substitution of fossil fuels with alternative energy sources and upgrades to equipment, such as grain trucks, to reduce diesel consumption.

Minimizing and Substituting Substances of Concern

IMC is working to reduce the use of hazardous substances and phase out substances of very high concern in line with the EU Chemicals Strategy for Sustainability. This includes:

- Phasing out hazardous substances in agricultural practices and replacing them with safer alternatives.
- Managing pesticide and agrochemical use through strict procedures for the collection and disposal of used containers, ensuring they do not contribute to soil or water pollution.
- Exploring and implementing innovative farming practices, such as regenerative agriculture, that reduce dependency on chemical inputs and enhance soil health.

IMC's HSE Policy emphasizes the prevention of incidents that may lead to pollution and environmental harm. The company has established procedures to:

- Conduct regular risk assessments to identify potential pollution-related incidents.
- Implement preventive measures to avoid incidents, such as proper handling and storage of hazardous materials (e.g., oil-contaminated waste, fuel, and agrochemical containers).
- Respond effectively to emergencies through established protocols that aim to limit the impact of such events on the environment and surrounding communities. IMC also ensures that employees are trained to manage emergency situations promptly and effectively.

<u>Actions and resources related to pollution</u>

E 2-2

IMC implements a comprehensive approach to address pollution prevention and control with a particular emphasis on mitigating soil pollution. The company's actions and allocation of resources reflect the commitments outlined in its HSE Policy and related operational procedures, ensuring effective management of pollution-related impacts, risks, and opportunities across its operations and supply chain.

To ensure compliance with Ukrainian environmental protection legislation, IMC has established a centralized database for permit documentation. This database facilitates regular monitoring of permit issuance, validity, and adherence to conditions specified in the permits. Additionally, accredited laboratories at IMC's grain silos annually monitor pollutant emissions into the atmosphere, ensuring compliance with established limit-permissible concentrations. Groundwater quality from artesian wells used by IMC enterprises is also studied annually to assess environmental impacts and safeguard resources.

IMC enforces Procedures for the Collection, Temporary Storage, and Disposal of hazardous and non-hazardous materials to prevent soil contamination and evaluation practices to minimize soil erosion and protect its capacity to retain moisture. IMC reduces the use of harmful chemicals by optimizing the application of fertilizers, pesticides, and crop protection products. The company gradually phases out substances of high concern and substitutes safer alternatives in its farming practices, in line with the EU Chemicals Strategy for Sustainability.Specific actions include the implementation of reduced tillage techniques on 35,000 hectares of land (29%), the adoption of cover crops on 2,000 hectares (1.7% of total landbank), and the use of nitrification inhibitors on 10,000 hectares (8%).

IMC dedicates substantial financial and human resources to pollution prevention and soil management, conducts assessments of soil quality and pollution risks as part of its broader environmental impact monitoring efforts. These efforts align with the company's commitment to reducing its environmental footprint while supporting broader ecosystem health and resilience.

Targets related to pollution

E 2-3

IMC enterprises acknowledge the environmental impacts of operations, particularly the air emission of greenhouse gases such as carbon dioxide (CO_2) and methane (CH_4), and are committed to minimizing these emissions. The company actively reduces its atmospheric impact through the optimization of production processes, the adoption of advanced agricultural technologies, and the modernization of equipment. These efforts have resulted in a reduction of greenhouse gas emissions, as demonstrated by the following achievements of IMC's agricultural enterprises:

- A significant reduction in methane emissions from 11.3 tonnes in 2018 to 0.1 tonnes in 2024.
- A sharp decrease in carbon dioxide emissions from 1,005.6 tonnes in 2018 to 232 tonnes in 2024.

In addition to emission reductions, IMC prioritizes the reuse of spent resources in production cycles. Since 2016, the company has implemented a program to utilize grain waste as an alternative fuel source in heating boilers. This initiative has reduced dependence on conventional fuels while repurposing production byproducts. In 2022, 467.5 tonnes of waste grains were used as fuel, contributing to energy efficiency and waste reduction goals.

Pollution Reduction Targets and Achievements

Year	Methane Emissions (tonnes)	Carbon Dioxide Emissions (tonnes)	Waste Grain Used in Heating Boilers (tonnes)
2018	11.3	1,005.6	854.9
2019	10.6	924.4	741.4
2020	2.3	898.0	928.4
2021	2.0	894.1	404.5
2022	0.6	446.4	467.5
2023	0.2	277.8	2253.8
2024	0.1	323.7	3519.82

Future Commitments

IMC is committed to further reducing its air emissions and waste production by:

- Expanding the use of biomas and other process waste as a sustainable fuel source.
- Continuing to modernize equipment and processes to enhance energy efficiency.
- Investigating and adopting innovative agricultural technologies to reduce the environmental footprint of its operations.
- Installing renewable energy generating systems.

These ongoing initiatives reflect IMC's dedication to sustainable practices, aligning with global efforts to combat climate change and promote a circular economy.

From 2025, IMC will implement a comprehensive set of metrics to monitor and measure pollution across its operations. These metrics will enhance the company's ability to track progress and drive targeted interventions.

Pollution of air, water and soil

E 2-4

IMC recognizes its responsibility to minimize pollution and ensure sustainable use and protection of natural resources, including air, water, and soil. The company has established internal procedures and implemented measures to prevent contamination and safeguard ecosystems across its operations.

IMC's water supply primarily relies on underground sources, complemented by water from local municipal systems for household needs. To ensure sustainable water use, the company adopted the Regulations for the Use and Protection of Water Resources in 2019. These regulations define uniform requirements for processes related to the collection, use, and protection of water resources for production and household purposes.

Looking ahead, in 2025, IMC plans to enhance its water management framework by performing:

- Analysis of compliance with Ukrainian water quality regulations in comparison to the EU requirements.
- Materiality assessment of water quality impacts to prioritize and address relevant pollution risks effectively.

These steps aim to align IMC's water resource management practices with international standards and ensure their long-term sustainability.

IMC implements stringent monitoring procedures to manage soil quality, especially within sanitary protection zones near production facilities.

Due to differing methodologies between Ukrainian and EU soil sampling standards, IMC is not currently able to assess compliance with thresholds set under Annex II of Regulation (EC) No 166/2006. However, the company is committed to improving its approach and will perform a materiality assessment on the sub-topic of "Pollution of Soil" in 2025.

IMC remains dedicated to continuous improvement in pollution management through:

- Regular reviews of internal environmental regulations to integrate best practices,
- Alignment with international requirements, including EU standards, to ensure regulatory compliance, and
- Enhanced monitoring and reporting mechanisms for water and soil quality.

These initiatives reflect IMC's commitment to mitigating its environmental impacts, fostering sustainable practices, and promoting ecosystem health across its operations.

Substances of concern and substances of very high concern

E 2-5

IMC acknowledges the potential risks and environmental impacts associated with the use of substances of concern, particularly pesticides and herbicides, in agricultural production. The company is transitioning to safer alternatives to align with EU regulations and global best practices.

IMC has identified specific pesticides prohibited under EU regulations that are currently used in its operations. These include substances such as S-Metolachlor, Flumetsulam, Prochloraz, Fenpropimorph, Epoxiconazole Alpha-Cypermethrin Imidacloprid Diquat (inprocess of selecting alternatives). Their application rates and associated costs are tracked across key crops, including corn, winter wheat, and sunflower.

The company has developed a structured plan to replace prohibited substances with EU-approved alternatives.

IMC's substitution strategy will improve compliance with EU chemical safety regulations, including those outlined in REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals).

By 2025, IMC will:

- Implement a comprehensive monitoring framework to evaluate the effectiveness of new pesticide applications.
- Expand its substitution efforts to address additional substances of very high concern.

Through these initiatives, IMC reinforces its commitment to responsible chemical use and sustainable agricultural practices, ensuring a balance between productivity and environmental stewardship.

Affected communities

Policies related to affected communities

ESRS S3-1

IMC recognizes stakeholder engagement as a fundamental element in its approach to responsible business conduct and sustainability. Corporate Stakeholder Engagement Plan serves as a key document describing that approach. The company proactively engages with internal and external stakeholders, ensuring their concerns, expectations, and insights are incorporated into decision-making processes. Stakeholder groups include employees, local communities, landowners, customers, suppliers, contractors, investors, government authorities, financial institutions, NGOs, and industry associations. This engagement is particularly crucial given IMC's agricultural operations in the Chernihiv, Poltava, and Sumy regions, where business activities directly impact the environment, land use, and rural communities.

IMC's stakeholder engagement strategy aligns with national and international regulatory frameworks, ensuring that IMC's interactions with stakeholders contribute to sustainable and equitable agricultural development. The company employs multiple communication channels, such as public consultations, direct meetings, grievance mechanisms, and digital platforms, to facilitate dialogue and address stakeholder concerns in a structured and effective manner.

A key component of IMC's approach is its structured grievance mechanism, which allows stakeholders to raise concerns and provide feedback confidentially. This mechanism includes a corporate misconduct hotline, physical complaint boxes in rural offices, and digital reporting channels. IMC ensures that all grievances are addressed in a timely and transparent manner, reinforcing trust and accountability. Additionally, the company regularly evaluates the effectiveness of its engagement strategies to adapt to evolving stakeholder needs and regulatory developments. By fostering meaningful stakeholder participation, IMC strengthens its social license to operate and enhances its long-term resilience in the agricultural sector.

Code of Conduct and Human Rights Policy will be developed within 2025.

In 2024 there were no severe human rights issues and incidents recorded within the Company's upstream or downstream value chain.

ESRS S3-2

IMC's processes for engaging with local communities are particularly focusing on the «IMC.Aid to people» social program.

IMC's community engagement efforts are guided by a structured governance approach, ensuring that all actions are aligned with the company's broader social responsibility goals. The process is overseen by the Deputy CEO for Land Relations and Social Policy Development, in collaboration with IMC's regional enterprises Directors. This governance ensures transparent decision-making, budget allocation, and the effectiveness of community-focused initiatives.

The engagement process is regulated by the directive "Про виконання соціальної програми «ІМК допомагає» у 2024 році," signed by the CEO of IMC and enforced across all IMC's regional enterprises. This directive outlines specific responsibilities, financial commitments, and reporting obligations for all stakeholders involved in community programs. Each regional enterprise has a designated employee responsible for implementing the social program within their area.

Any services provided, or goods purchased for local communities must be approved by IMC's CEO through official requests submitted via the IMC portal or email. This centralized approval system ensures that all expenditures align with the goals of the «IMC.Aid to people» program. Any changes to the pre-approved budget allocations require formal approval in accordance with the program's governance documents.

The IMC's regional enterprises directors are required to inform local communities and heads of the Territorial Communities about the tax contributions made by IMC's enterprises to community budgets in 2024. This communication fosters transparency and builds trust between IMC and local authorities, ensuring that community members are aware of the company's financial contributions to local development.

Regional enterprises directors are personally accountable for implementing the program and adhering to the stipulated guidelines. Additionally, the Deputy CEO for Land Relations and Social Policy Development oversees the execution of this directive and is responsible for monitoring compliance and performance.

The program is subject to regular monitoring to assess the social impact of the initiatives and ensure that the funds are used effectively. Regular updates are provided to the IMC head office to ensure transparency and accountability.

Processes to remediate negative impacts and channels for affected communities to raise concerns

ESRS S3-3

IMC's regional enterprises directors serve as the primary points of contact for Territorial Communities, ensuring that local concerns are addressed efficiently. Each enterprise director is responsible for receiving and managing requests or concerns raised by the communities in which IMC enterprise operates. This decentralized approach allows for prompt and localized responses to any community-related issues, fostering strong relationships with local stakeholders.

Since 2019, IMC has operated the IMC Corporate Misconduct Hotline, based on the Ethicontrol platform. This tool provides a confidential and efficient channel for both internal and external stakeholders, including local communities, to report any concerns or negative impacts they may experience as a result of IMC's activities.

The key objectives of the hotline are:

- Establishing a two-way communication channel with all IMC stakeholders.
- Facilitating the registration, documentation, and resolution of complaints.
- Ensuring a logical and transparent mechanism for handling concerns related to IMC's operations.

IMC follows a clear process for remediating any negative impacts raised by the communities or stakeholders through the hotline or regional enterprises directors. All complaints are documented, reviewed, and addressed by a dedicated team within IMC, which ensures timely and appropriate responses. The remediation process may involve dialogue with affected parties, internal investigations, and corrective actions to mitigate any adverse effects.

IMC is committed to resolving issues in a fair and transparent manner, with follow-up communication to ensure that the concerns have been adequately addressed.

Actions and Metrics

ESRS S-4;5

As part of IMC's commitment to sustainable growth and community development, the Company actively identifies priority areas for local development and implements dedicated projects to mitigate potential negative impacts. The «IMC.Aid to people» program is a key element in fostering positive changes within the communities where IMC operates.

Key areas of support include:

- Aid to Landowners: Financial assistance for families of deceased landowners, payments to servicemen and their families, and assistance in land registration and extending land lease terms.
- Infrastructure improvement: Contributions towards transportation, fuel, and general maintenance for village infrustructure.
- Charitable Donations and Local Development Support: IMC allocates specific funds to target local needs such as school equipment, infrastructure upgrades, and gifts for educational and childcare institutions.

Overview of 2024 Budget Allocations:

	Total, UAH	Targeted assistance to landowners, UAH	Targeted assistance to landowners serving in the Armed Forces of Ukraine, UAH	Assistance to local communities, UAH
IMC	4 453 548	2 863 255	898 845	691 448

In 2024, IMC invested over 4 million UAH across its regional enterprises to support various community initiatives, with a specific focus on assisting schools, kindergartens, and public institutions with necessary equipment like laptops, televisions, and projectors.

This strategic community support initiative aligns with IMC's core values of fostering sustainable development and strengthening local infrastructures to promote long-term positive impacts in the regions where IMC operates.

EU Taxonomy

In compliance with the EU Taxonomy Regulation, IMC has evaluated its economic activities to determine their alignment with environmentally sustainable criteria. After thorough analysis, the Company has identified that its primary operations, including the cultivation of crops such as corn, wheat, and sunflower, do not currently meet the specific thresholds and technical screening criteria established by the EU Taxonomy.

Consequently, for the reporting period, 100% of IMC's revenues, capital expenditures, and operational expenditures are derived from non-eligible activities, indicating no alignment with the EU Taxonomy.

While IMC's current activities are not aligned with the EU Taxonomy, the Company is committed to exploring and integrating environmentally sustainable practices into its operations. Future initiatives will focus on identifying opportunities that contribute to environmental objectives, aiming for potential alignment with the EU Taxonomy in subsequent reporting periods.

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On behalf of the Board of Directors:

Chief Executive Officer	Oleksandr Verzhykhovskyi	signed
Chief Financial Officer	Dmytro Martyniuk	signed

CORPORATE GOVERNANCE STATEMENT

Corporate governance

Corporate governance within the Company is based on the Luxembourg law and the listing requirements of the Warsaw Stock exchange where the trading in the Company shares takes place. The Company follows Best Practice for GPW Listed Companies 2021, which came into force from July, 01, 2021 (the "2021 WSE Code of best practice", adopted by the Resolution No. 13/1834/2021 of 29 March 2021).

The Company's corporate governance rules are based on the Company's Articles of Association (the "Articles"), and the corporate governance charter (the "Corporate Governance Charter"), and the Company's internal regulations.

Board of Directors

According to the Articles of Association, the Company shall be managed by the Board of Directors composed of at least five members, their number being determined by the general meeting of shareholders. Directors need not be shareholders of the Company. The Board of Directors is composed of executive and non-executive directors. At least two directors shall be independent non-executive directors.

The directors shall be elected by the general meeting of shareholders for a period not exceeding six (6) years and until their successors are elected, provided, however, that any director may be removed at any time by a resolution taken by the general meeting of shareholders. The directors shall be eligible for reappointment.

In the event of vacancy in the office of a director because of death, resignation or otherwise, the remaining directors elected by the general meeting of shareholders may elect a director to fill such vacancy until the next general meeting of shareholders.

Directors

Name	Initial date of appointment	End of mandate
1.Mr. Oleksandr Petrov, Executive Director, Founder and Board member	09 March 2011	2026
2.Mr. Alex Lissitsa, Executive Director, Chairman of the Board	29 March 2012	2026
3.Mr. Oleksandr Verzhykhovskyi, Executive Director, CEO	10 January, 2020	2026
4.Mr. Dmytro Martyniuk, Executive Director, CFO	09 March 2011	2026
5.Mrs. Krysenko Olena, Executive Director, Commercial Director	10 January, 2020	2026
6.Mr. Sergii Klimishyn, Executive Director, Legal Director	10 January, 2020	2026
7.Mr. Alfons Balman, Non-executive Director	10 September 2013	2026
8.Mr. Andrzej Szurek, Non-executive Director	23 February 2023	2026

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and with regards to Luxembourg Companies Law 1915. The Articles of Association may be amended from time to time by a general meeting of the shareholders under the quorum and majority requirement provided for by the law of 10 August 1915 on commercial companies in Luxembourg, as amended.

The present Board is composed of two independent directors and six directors who either are employed by subsidiaries of the Company and hold over 5% of votes in the Company.

Independence is assessed taking into consideration the criterias stated in Annex II of the European Commission Recommendation of 15 February 2005.

Powers of Directors

The Board is responsible for managing the business affairs of the Company within the clauses of the Article of Association. The directors may only act at duly convened meetings of the Board of Directors or by written consent in accordance with article 12 of Articles of Association.

The Board of Directors is vested with the broadest powers to act on behalf of the Company and to perform or authorize all acts of administrative or disposal nature, necessary or useful for accomplishing the Company's object. All powers, not expressly reserved by the Law to the sole shareholder or, as the case may be, to the general meeting of shareholders, fall within the competence of the Board of Directors.

Meetings of the Board of Directors

The Board of Directors meets upon notice given by the Chairman. A meeting of the Board of Directors must be convened if any two directors so require. The Chairman presides at all meetings of the Board of Directors. In case of chairman's absence, the Board of Directors may appoint another director as chairman pro tempore by vote of the majority present or represented at such meeting. Except in cases of urgency or with the prior consent of all those entitled to attend, there should be given a written notice of at least twenty-four hours before the meeting of the Board of Directors. Any such notice shall specify the place, the date, time and agenda of the meeting. The notice may be waived by unanimous written consent by all the directors at the meeting or otherwise. No separate notice is required for meetings held at times and places specified in a time schedule previously adopted by resolution of the Board of Directors.

Every board meeting shall be held in Luxembourg or at such other place indicated in the notice.

Decisions will be taken by a majority of the votes of the directors, present or represented at the relevant meeting. Each director has one vote. In case of a tied vote, the Chairman has a casting vote.

One or more directors may participate in a meeting by means of a conference call, by video conference or by any similar means of communication enabling several persons participating therein to simultaneously communicate with each other. Such methods of participation are to be considered equivalent to a physical presence at the meeting.

A written decision passed by circular means and transmitted by cable, facsimile or any other similar means of communication, signed by all the directors, is proper and valid as though it had been adopted at a meeting of the Board of Directors, which was duly convened and held. Such a decision can be documented in a single document or in several separate documents having the same content and each of them signed by one or several directors. Except as far as a written decision passed by circular means is concerned, the minutes of the meeting of the Board of Directors shall be signed by the Chairman of the relevant meeting or any two directors or as resolved at the relevant board meeting or a subsequent board meeting. Any proxies will remain attached thereto.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing an independent administrator (the "Administrator") to maintain the accounting records of the Company independent of IMC S.A. The Administrator has a duty of care to maintain proper books and records and prepare for review and approval by the Board the annual accounts intended to give a true and fair view. The Board has appointed Altum Luxembourg S.A. as Administrator (previously known as LGL Corporate Services Luxembourg S.A.).

Committees

Audit Committee

The Audit committee has been established by the Board to assist the Board of directors with independent verifying and safeguard of the integrity of the company's financial reporting; and oversee the independence of the external auditors

The Committee has responsibility for the following:

(a) Monitoring the establishment of an appropriate internal control framework;

(b) Monitoring corporate risk assessment and compliance with internal controls;

(c) Overseeing business continuity planning and risk mitigation arrangements;

(d) Reviewing reports on any material defalcations, frauds and thefts from the Group;

(e) Monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary in relation to those requirements;

(f) Reviewing the nomination, performance and independence of the external auditors;

(g) Liaising with the external auditors and ensuring that the annual audit is conducted in an effective manner that is consistent with Committee members' information and knowledge and is adequate for shareholder needs;

(h) Reviewing management processes supporting external reporting;

(i) Reviewing annual accounts and consolidated financial statements and other financial information distributed externally; and

(j) Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.

The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility, and does not have any power to commit the Board to any recommendation or decision made by it except for matters relating to the appointment, oversight, remuneration and replacement of the external auditors.

The Committee has unrestricted access to management and the external auditors as it may consider appropriate for the proper performance of its function.

The Board of Directors shall appoint the chairman and members of the Audit Committee from among the non-executive directors and external members which must be independent. The Audit Committee will comprise a minimum of two members. In any case the chairman of the Audit Committee must be appointed from among non-executive directors.

As of 31 December 2024 Audit committee consisted of two members, Alfons Balmann (chairman), a non-executive director and Andrzej Szurek (member), non-executive director. In the year 2024 the work of the Audit Committee was confined to reviewing the interim consolidated financial statements and interim accounts, the consolidated financial statements and annual accounts and audit reports thereon and appointment of external auditor.

Remuneration Committee

The role of the Committee is to advise on remuneration and issues relevant to remuneration policies and practices for senior management.

The Responsibility of the Remuneration Committee includes issues regarding salaries, bonus programs and other employments terms of the CEO and senior management in conjunction with the Board.

Notably, the Remuneration Committee is responsible for:

- submitting proposals to the Board regarding the remuneration of directors and managers, ensuring that these proposals are in accordance with the remuneration policy adopted by the Company (not adopted yet)

- discussing with the chief executive officer the performance of executive management and of the individual executives at least once a year based on evaluation criteria clearly defined. The chief executive officer should not be present at the discussion of his own evaluation;

- ensuring that the remuneration of non-executive directors is proportional to their responsibilities and the time devoted to their functions.

The Board of Directors shall appoint the chairman and members of the Remuneration Committee from among the non-executive directors and external members which must be independent. The Remuneration Committee will comprise a minimum of two members. In any case the chairman of the Remuneration Committee must be appointed from among non-executive directors.

Personnel

IMC employs people based on principles of equal opportunity, without distinction to race, color, gender, sexual orientation, religion, descent or origin. IMC standards related to employees and human rights are declared in the following documents:

- Non-discrimination and equal opportunities in employment Policy
- Non-discrimination on grounds of sexual orientation and gender identity Policy
- Policy of collective bargaining
- Policy on freedom for workers to form or join trade unions
- Policy of nursing and expectant mothers
- Policy on working hours and overtime
- Employment of young person under the age of 18 Policy.

Policies are freely available to all employees and guests of IMC. The company's policy prohibits discrimination based on color, ethnic or social origin, sex, pregnancy, civil, family status or status of a person caring for, language, religion or other opinion, political or other opinion, national or social origin, citizenship, economic status, association with a national minority, gender identity, age, disability, state of health, genetic characteristics of a person, and other signs or combinations of any of these attributes, actual or imaginary, as well as prohibits discrimination on the basis of association for any of the above listed features.

Internal control and risk management

The Company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of financial records that, in reasonable detail, accurately and fairly reflect the transactions and disposals of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of annual accounts and consolidated financial statements. In accordance with Luxembourg legal and regulatory requirements, that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposals of the Company's assets that could have a material effect on the Consolidated financial statements.

External audit

In accordance with the Luxembourg law on commercial companies, an external auditor appointed by the annual general meeting of shareholders certifies the Company's annual and consolidated accounts.

The external audit functions for consolidated financial statements for Y2024 and Y2023 were carried by C-CLERC S.A.

Takeover bids Law statement

- The structure of the capital of the Company is represented in Note 28. The Company is a publicly listed company whose shares are owned primarily by investors and Agrovalley Limited whose beneficial owner is Mr. Oleksandr Petrov, chairman of the Board of Directors. As of 31 December 2024, Mr. Oleksandr Petrov held 27 031 614 shares in the Company, what is equal to 76,14%;
- The Company has no securities which are not admitted to trading on a regulated market;
- The Company has no restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to article 46 of Directive 2001/34/EC;
- The details of those shareholders with an interest of 5% or more in the issued share capital of the Company, as notified to the Company, are set out in Note 27. The Company has no other significant direct or/and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings);
- The Company has no holders of any securities with special control rights. Transfer of shares is governed by the Articles of Association of the Company;
- The Company has no adopted system of control of any employee share scheme where the control rights are not exercised directly by the employees;
- The Company has no adopted restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;
- All of the issued and outstanding shares in the Company have equal voting rights and there are no special control rights attaching to the shares;
- The Company didn't receive the information about existence of any agreements between shareholders that may result any restrictions within the meaning of Directive 2001/34/EC;
- The Company has no any agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the Company;

- The Company grants non-availability of any agreements between the company and its board members or/and employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

Insider Dealing

The Company follows Luxembourg Stock Exchange, Warsaw Stock Exchange and insider trading policy rules in regards to the disclosure of insider dealing, which require all Board Members to notify the Company with regards to all transactions in the shares in the Company. Following the rules of the notification, the Company notifies both stock exchanges via appropriate regulatory filings.

On behalf of the Board of Directors:

Chief Executive Officer	Oleksandr Verzhykhovskyi	signed
Chief Financial Officer	Dmytro Martyniuk	signed

Management Responsibility Statement

This statement is provided to confirm that, to the best of our knowledge, the Consolidated financial statements For the year ended 31 December 2024, and the comparable information, have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss of IMC S.A. Group and the undertakings included in the consolidation taken as a whole and that the single management report includes a fair review of the development and performance of the business and the position of IMC S.A. Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors:

Chief Executive Officer	Oleksandr Verzhykhovskyi	signed
Chief Financial Officer	Dmytro Martyniuk	signed

Crowe

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of IMC S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and consolidated statement of changes in equity 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 financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the paragraph "Operating environment and going concern" in note 4 of the consolidated financial statements which highlights that since 24 February 2022 the Group's operations are affected by the ongoing Russian military invasion of Ukraine. The magnitude of the further developments and the timing of when those actions will cease are uncertain. These events or conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the section "Material uncertainty related to going concern", we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of current biological assets	
Why the matter was considered to be one of the most significant in our audit of the consolidated financial statements of the current period. The Group measures biological assets at fair value less costs to sell in accordance with IAS 41 Agriculture and IFRS 13 Fair Value Measurement. As at 31.12.2024, the Group has current biological assets comprising mainly winter wheat crops not yet harvested valued at USD 10.8 million. The Group calculates the fair value less cost to sell on the basis of the discount cash flow technique, applying the following key assumptions: • expected crops yields; • estimated future sales prices; • projected productions costs until harvest; • projected costs to sell; • discount rate. Given the significant management judgements and magnitude of the amounts involved, we considered the valuation of current biological assets as a key audit matter.	**How the matter was addressed in our audit** Our procedures in relation to the valuation of current biological assets included, but were not limited to: - Obtaining a detailed understanding of the management's development of the key assumptions used in the valuation. - Evaluating the appropriateness of management's judgements and assumptions applied in arriving at the value of biological assets by: - Challenging significant assumptions by comparison to historical data, market data or any other data source as appropriate. - Testing the accuracy of the valuation model by performing a recalculation (mathematical accuracy) and testing a sample of the underlying inputs to supporting documentation. - Checking the sensitivity analysis of significant assumptions used. - Assessing the adequacy of management's disclosures in the relevant notes to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Consolidated Management report, the Sustainability report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" 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.

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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, 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.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "*réviseur d'entreprises agréé*" for the audit of the consolidated financial statements

The objectives of our audit 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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

Crowe

- 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 fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Meeting of the Board of Directors on 15 August 2023 and our appointment is subject to the ratification of the forthcoming General Meeting of Shareholders. The duration of our uninterrupted engagement, including previous renewals and reappointments, is two years.

The Consolidate Management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is presented on pages 29 to 33. The information required by Article 68ter paragraph (1) letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that no prohibited non-audit services referred to in the EU Regulation No 537/2014 were provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Bertrange, April 30, 2025

C-CLERC S.A.
Cabinet de révision agréé

Mariateresa Di Martino
Réviseur d'Entreprises Agréé

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(in thousand USD, unless otherwise stated)

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
CONTINUING OPERATIONS			
Revenue	6	211 288	139 453
Gain from changes in fair value of biological assets and agricultural produce, net	7	75 777	15 242
Cost of sales	8	(177 970)	(132 710)
GROSS PROFIT		**109 095**	**21 985**
Administrative expenses	9	(10 334)	(9 666)
Selling and distribution expenses	10	(31 435)	(23 994)
Other operating income	11	2 926	1 444
Other operating expenses	12	(2 417)	(3 323)
Write-offs of property, plant and equipment		(25)	(41)
Reversal of impairment of property, plant and equipment	18	-	390
Impairment of property, plant and equipment	18	-	(184)
OPERATING PROFIT/(LOSS)		**67 810**	**(13 389)**
Financial expenses, net	15	(1 235)	(1 110)
Financial effect of lease of right-of-use assets	19	(6 747)	(5 396)
Foreign currency exchange (loss)/gain, net	16	(4 501)	(1 185)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**55 327**	**(21 080)**
Income tax expenses, net	17	(789)	50
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**54 538**	**(21 030)**
Net profit/(loss) for the period attributable to:			
Owners of the parent company		54 893	(20 820)
Non-controlling interests		(355)	(210)
Weighted average number of shares		35 500 464	35 500 464
Basic profit/(loss) per ordinary share (in USD)		1,55	(0,59)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified to profit or loss:			
Effect of foreign currency translation		(15 009)	(4 434)
Items that will not be reclassified to profit or loss:			
Deferred tax charged directly to amortization of revaluation reserve		176	320
Revaluation of property, plant and equipment		-	17 456
Deferred tax charged directly to revaluation of property, plant and equipment		-	(933)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**(14 833)**	**12 409**
TOTAL COMPREHENSIVE PROFIT/(LOSS)		**39 705**	**(8 621)**
Comprehensive income/(loss) attributable to:			
Owners of the parent company		39 969	(8 441)
Non-controlling interests		(264)	(180)

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Oleksandr Verzhykhovskyi
Chief Executive Officer

__________ signed _____________

Dmytro Martyniuk
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(in thousand USD, unless otherwise stated)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	18	78 010	72 265
Right-of-use assets	19	99 808	106 975
Intangible assets	20	234	337
Prepayments for property, plant and equipment		2 864	342
Total non-current assets		**180 916**	**179 919**
Current assets			
Assets classified as held for sale	21	797	-
Inventories	22	77 191	89 508
Current biological assets	23	10 844	11 294
Trade accounts receivable, net	24	1 935	4 051
Prepayments and other current assets, net	25	5 990	11 023
Prepayments for income tax		14	211
Cash and cash equivalents	27	44 630	16 198
Total current assets		**141 401**	**132 285**
TOTAL ASSETS		**322 317**	**312 204**
LIABILITIES AND EQUITY			
Equity attributable to the owners of parent company			
Share capital	28	62	62
Share premium	28	37 425	37 425
Revaluation reserve	28	44 327	48 554
Retained earnings		296 956	237 660
Effect of foreign currency translation		(196 331)	(181 231)
Total equity attributable to the owners of parent company		**182 439**	**142 470**
Non-controlling interests		(1 040)	(776)
Total equity		**181 399**	**141 694**
Non-current liabilities			
Deferred tax liabilities	17	2 014	2 434
Long-term loans and borrowings	29	11 654	902
Long-term lease liabilities as to right-of-use assets	20	91 406	99 188
Total non-current liabilities		**105 074**	**102 524**
Current liabilities			
Current portion of long-term loans and borrowings	29	5 747	19 427
Current portion of long-term lease liabilities as to right-of-use assets	20	13 424	12 931
Short-term loans and borrowings	30	5 890	25 398
Trade accounts payable	31	1 590	2 312
Other current liabilities and accrued expenses	32	9 193	7 918
Total current liabilities		**35 844**	**67 986**
Total liabilities		**140 918**	**170 510**
TOTAL LIABILITIES AND EQUITY		**322 317**	**312 204**

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Oleksandr Verzhykhovskyi
Chief Executive Officer

__________signed _____________
Dmytro Martyniuk
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(in thousand USD, unless otherwise stated)

	Share capital	Share premium	Revaluation reserve	Retained earnings	Effect of foreign currency translation	Total	Non-controlling interests	Total equity
31 December 2022	**62**	**37 425**	**33 136**	**257 055**	**(176 767)**	**150 911**	**(596)**	**150 315**
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	(20 820)	-	**(20 820)**	(210)	**(21 030)**
Amortization of revaluation reserve	-	-	(1 425)	1 425	-	**-**	-	**-**
Deferred tax charged directly to amortization of revaluation reserve	-	-	320	-	-	**320**	-	**320**
Revaluation of property, plant and equipment	-	-	17 456	-	-	**17 456**	-	**17 456**
Deferred tax charged directly to revaluation of property, plant and equipment	-	-	(933)	-	-	**(933)**	-	**(933)**
Other comprehensive income	-	-	-	-	(4 464)	**(4 464)**	30	**(4 434)**
Total comprehensive profit/(loss)	**-**	**-**	**15 418**	**(19 395)**	**(4 464)**	**(8 441)**	**(180)**	**(8 621)**
31 December 2023	**62**	**37 425**	**48 554**	**237 660**	**(181 231)**	**142 470**	**(776)**	**141 694**

	Share capital	Share premium	Revaluation reserve	Retained earnings	Effect of foreign currency translation	Total	Non-controlling interests	Total equity
31 December 2023	**62**	**37 425**	**48 554**	**237 660**	**(181 231)**	**142 470**	**(776)**	**141 694**
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	54 893	-	**54 893**	(355)	**54 538**
Amortization of revaluation reserve	-	-	(4 403)	4 403	-	**-**	-	**-**
Deferred tax charged directly to amortization of revaluation reserve	-	-	176	-	-	**176**	-	**176**
Other comprehensive income	-	-	-	-	(15 100)	**(15 100)**	91	**(15 009)**
Total comprehensive profit/(loss)	**-**	**-**	**(4 227)**	**59 296**	**(15 100)**	**39 969**	**(264)**	**39 705**
31 December 2024	**62**	**37 425**	**44 327**	**296 956**	**(196 331)**	**182 439**	**(1 040)**	**181 399**

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Oleksandr Verzhykhovskyi
Chief Executive Officer

__________signed ____________

Dmytro Martyniuk
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(in thousand USD, unless otherwise stated)

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax from continuing operations		55 327	(21 080)
Adjusted to reconcile profit before tax with net cash used in operating activities:			
Gain from changes in fair value of biological assets and agricultural produce, net	7	(75 777)	(15 242)
Disposal of revaluation of biological assets and agricultural produce in the cost of sales, net	8	47 837	47 945
Depreciation and amortization	13	18 276	16 770
Financial effect of lease of right-of-use assets	19	6 747	5 396
Interest expenses and other financial expenses	15	2 938	2 328
Foreign currency exchange loss/(gain), net	16	4 904	2 113
Loss/(gain) on disposal of property, plant and equipment	11, 12	(427)	(204)
Write-offs of property, plant and equipment		25	41
Gain on recovery of assets previously written off	11	(14)	(20)
Interest income	15	(1 703)	(1 218)
Accruals for unused vacations		1 622	1 570
Accruals for audit services		141	120
Write-offs of VAT	12	53	31
Shortages and losses due to impairment of inventories	12	2	2 512
Income from write-offs of accounts payable	11	(101)	(153)
(Gain)/loss on disposal of inventories	11	(58)	(157)
Allowance for doubtful accounts receivable	12	59	91
Effect of modification of right-of-use assets	11	(580)	(668)
Impairment/(reversal of impairment) of property, plant and equipment, net		-	(206)
Cash flows from operating activities before changes in working capital		**59 271**	**39 969**
Changes in trade accounts receivable		1 939	4 153
Changes in prepayments and other current assets		5 664	(1 000)
Changes in inventories		23 519	(58 172)
Changes in current biological assets		7 659	37 008
Changes in trade accounts payable		(501)	(457)
Changes in other current liabilities and accrued expenses		(1 932)	(1 351)
Cash flows from operations		**95 619**	**20 150**
Interest paid on loans and borrowings		(2 690)	(2 198)
Interest paid on lease liabilities as to right-of-use assets		(737)	(620)
Income tax paid		(622)	(263)
Net cash flows from operating activities		**91 570**	**17 069**

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Oleksandr Verzhykhovskyi
Chief Executive Officer

__________ signed ____________

Dmytro Martyniuk
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the year ended 31 December 2024
(in thousand USD, unless otherwise stated)

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(23 600)	(17 132)
Proceeds from disposal of property, plant and equipment		1 103	571
Net cash flows from investing activities		**(22 497)**	**(16 561)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term loans and borrowings		1 681	15 710
Proceeds from short-term loans and borrowings		13 408	13 915
Repayment of long-term loans and borrowings		(4 609)	(4 925)
Repayment of short-term loans and borrowings		(32 804)	(17 385)
Repayment of long-term and short-term lease liabilities as to right-of-use assets (land)		(13 650)	(14 554)
Repayment of long-term and short-term lease liabilities as to right-of-use assets (other)		(1 435)	(1 413)
Net cash flows from financing activities		**(37 409)**	**(8 652)**
NET CASH FLOWS		**31 664**	**(8 144)**
Cash and cash equivalents as at the beginning of the period	27	16 198	24 864
Effect of translation into presentation currency		(3 232)	(522)
Cash and cash equivalents as at the end of the period	27	44 630	16 198

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Oleksandr Verzhykhovskyi
Chief Executive Officer

__________ signed ____________

Dmytro Martyniuk
Chief Financial Officer

1 Description of formation and business

IMC S.A. (the "Parent company") is a limited liability company registered under the laws of Luxembourg on 28 December 2010 for an unlimited period of time. IMC S.A. was formed to serve as the ultimate holding company of Unigrain Holding Limited and its subsidiaries. The registered address of IMC S.A. is L-1468, 16 rue Erasme, Luxembourg, Grand Duchy Luxembourg, its register number within the Registre de Commerce et des Sociétés du Luxembourg is RCS B157843.

IMC S.A. and its subsidiaries (the "Group" or the "IMC") is an integrated agricultural company in Ukraine. The main areas of the Group's activities are:

- cultivation of grain and oilseeds crops;
- storage of grain and oilseeds crops.

The Group is among Ukraine's top-10 agricultural producers. The grain and oilseeds crops produced by the Group are sold in both the Ukrainian and export markets.

All companies comprising the Group were under the control of the same beneficial owner Mr. Petrov O.L. as at all the reporting dates and have effectively operated as an operating group under common management.

The principal activities of the companies comprising the Group are as follows:

Operating entity	Principal activity	Registered office	Year established/ acquired	Cumulative ownership ratio, %	
				31 December 2024	31 December 2023
IMC S.A.	Holding company	Luxembourg	28.12.2010	100	100
Burat-Agro Ltd.	Agricultural production	Ukraine	31.12.2007	100	100
Burat Ltd.	Grain elevator	Ukraine	31.12.2007	-	-*
Chernihiv Industrial Milk Company Ltd.	Agricultural and farming production	Ukraine	31.12.2007	100	100
PrJSC Mlibor	Grain elevator	Ukraine	31.05.2008	74,41	74,41
Unigrain Holding Limited	Subholding company	Cyprus	02.06.2009	100	100
Aristo Eurotrading Limited	Trading company	British Virgin Islands	30.08.2011	100	100
PrJSC "Vyryvske HPP"	Grain elevator	Ukraine	28.12.2011	80,61	80,61
PAC Slobozhanschina Agro	Agricultural production	Ukraine	26.06.2012	100	100
Agroprogress PE	Agricultural production	Ukraine	28.12.2012	100	100
Bobrovitsky Hlebzavod Ltd	Bakery production	Ukraine	28.12.2012	100	100
PrJSC "Bobrovitske HPP"	Grain elevator	Ukraine	28.12.2012	92,83	92,83
Negoce Agricole S.a r.l.	Trading company	Luxembourg	19.11.2013	100	100
AgroKIM Ltd.	Agricultural production, grain elevator	Ukraine	30.12.2013	100	100
Aristo Eurotrading HK Limited	Trading company	Hong Kong	21.06.2019	100	100

*In July 2023 Burat Ltd was joined to Burat-Agro Ltd.

Today IMC is the vertically integrated and high-technology group of companies operating in Sumy, Poltava and Chernihiv region (northern and central Ukraine).

The Group controls 116,5 thousand ha (116,2 thousand ha under processing of high quality arable land). In 2024 the Group operates in two segments - crop farming and elevators and warehouses.

The financial year of the Group begins on 01 January of each year and terminates on 31 December of each year.

The Group's Consolidated financial statements are public and available at:

http://www.imcagro.com.ua/en/investor-relations/financial-reports.

Stock information about the Company (company code name on WSE: IMCOMPANY (LU0607203980)):

https://www.gpw.pl/company-factsheet?isin=LU0607203980

2 Basis of preparation of the consolidated financial statements

Statement of compliance

These Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union.

These Consolidated financial statements are based on principal accounting policies and critical accounting estimates and judgments that are set out below. These accounting policies and assumptions have been applied consistently to all periods presented in these Consolidated financial statements.

Companies comprising the Group which are incorporated in Ukraine maintain their accounting records in accordance with Ukrainian regulations. Ukrainian statutory accounting principles and procedures differ from those generally accepted under IFRS. Accordingly, the Consolidated financial statements, which have been prepared from the Ukrainian statutory accounting records for the entities of the Group domiciled in Ukraine, reflect adjustments necessary for such financial statements to be presented in accordance with IFRS.

These Consolidated financial statements as at 31 December 2024 prepared in compliance with IFRS as approved by the European Union are approved on behalf of the Group's Board of Directors on 30 April 2025.

Going concern

These Consolidated financial statements have been prepared on a going concern basis, which contemplates the disposal of assets and the settlement of liabilities in the normal course of business. The recoverability of Group's assets, as well as the future operations of the Group, may be significantly affected by the current and future economic environment. Management believes that Group has reliable access to sources of financing capable to support appropriate operating activity of Group entities. These Consolidated financial statements do not include any adjustments should the Group be unable to continue as a going concern. For further information, relating to the going concern, see page 88.

Basis of measurement

The Consolidated financial statements are prepared under historical cost basis except for the revalued amounts of property, plant and equipment, fair values of biological assets and agricultural produce.

Use of estimates

The preparation of these Consolidated financial statements involves the use of reasonable accounting estimates and requires the Management to make judgments in applying the Group's accounting policies. These estimates and assumptions are based on Management's best knowledge of current events, historical experience and other factors that are believed to be reasonable. Note 4 contains areas, related to a high degree of importance or complexity in decision-making, or areas where assumptions and estimates are important for amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period.

Foreign currency translation

The Group's management has decided to present and measure these Consolidated financial statements in United States Dollars ("USD") for the purposes of convenience of users of these Consolidated financial statements.

Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). For the companies of the Group operating in Ukraine the Ukrainian Hryvna ("UAH") is the functional currency. For the companies operating in Cyprus and Luxembourg the functional currency is Euro ("EUR").

These Consolidated financial statements are presented in the thousands of United States Dollars ("USD"), unless otherwise indicated.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The principal exchange rates used in the preparation of these Consolidated financial statements are as follows:

Currency	31 December 2024	Average for the 2024	31 December 2023	Average for the 2023	31 December 2022
UAH/USD	42,039	40,159	37,9824	36,57504	36,5686
EUR/USD	1,04	1,08	1,11	1,08	1,07

Translation into presentation currency

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the official rate at the date of the balance sheet;
- income and expenses are translated at average exchange rate for the period, unless fluctuations in exchange rates during that period are significant, in which case income and expenses are translated at the rate on the dates of the transactions;
- all the equity and provision items are translated at the rate on the dates of the transactions;
- all resulting exchange differences are recognized as a separate component of other comprehensive income;
- in the consolidated statement of cash flows cash balances at the beginning and end of each presented period are translated at rates prevailing at corresponding dates. All cash flows are translated at average exchange rates for the periods presented. Exchange differences arising from the translation are presented as the effect of translation into presentation currency.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Financial statements of parent company and its subsidiaries, which are used while preparing the Consolidated financial statements, are prepared as at the same date on the basis of consistent application of accounting policy for all companies of the Group.

3 Summary of material accounting policies

Property, plant and equipment

Property, plant and equipment are stated at their revalued amounts that are the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

If there is no data about the market value of property, plant and equipment due to the nature of highly specialized machinery and equipment, such objects are evaluated according to acquisition expenses under present-day conditions, adjusted by an ageing percentage.

Property, plant and equipment of acquired subsidiaries are initially recognised at their fair value which is based on valuations performed by independent professionally appraisers.

Valuations are performed frequently enough to ensure that the fair value of a remeasured asset does not differ materially from its carrying amount as at reporting date.

Increases in the carrying amount arising on revaluation of property, plant and equipment are recognised in other comprehensive income and accumulated in equity under the line Revaluation reserve. Decreases in the carrying amount as a result of a revaluation are in profit or loss. However, the 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. Decrease related to previous increase of the same asset is recognized against other reserves directly in equity.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by an entity (in the amount that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) and when the asset is derecognized (in the full amount).

Subsequent major costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that these replacements will materially extend the life of property, plant and equipment or result in future economic benefits. The carrying amount of the replaced part is derecognized. All other day-to-day repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment or their essential component are written-off in a case of their disposal or if future economic benefits from use or disposal of such asset are not expected. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the other incomes (expenses) in the consolidated statement of comprehensive income when the asset is derecognized.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated.

Depreciation on assets is calculated using the straight-line method to allocate their revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings 15-55 years
- Machinery 5-30 years
- Motor vehicles 5-20 years
- Other assets 5-20 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Land is not depreciated.

Construction in progress comprises costs directly related to the construction of property, plant and equipment, as well as the relevant variable and fixed overhead costs related to the construction. These assets are depreciated from the moment when they are ready for operation.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income in other income (expenses) when the asset is derecognized.

The Group determines whether the useful life of an intangible asset is finite or indefinite.

Useful life of intangible assets is indefinite if the Group suggests that the period during which it is expected that the object of intangible assets will generate net cash inflows to the organization has no foreseeable limit. Intangible assets with indefinite useful lives are not amortized, but reviewed for impairment.

Amortisation of intangible assets is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The following estimated useful lives, which are re-assessed annually, have been determined for classes of finite-lived intangible assets:

- Land lease rights 5-15 years
- Computer software 5 years

Impairment of property, plant and equipment and intangible assets

The carrying amounts of property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of a cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. Value in use is the net present value of expected future cash flows, discounted on a pre-tax basis, using a rate that reflects current market assessments of the time value of money.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable within one year, and the asset is available for immediate sale in its present condition. Non-current assets are measured at the lower of the previous carrying amount or the fair value less costs to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.

Biological assets

The biological assets are classified as non-current and current depending on the expected pattern of consumption of the economic benefits embodied in the biological assets.

The Group distinguishes the category Current biological assets of plant-breeding.

The Group assesses a biological asset at initial recognition and at each balance sheet date at fair value less costs to sell, except for the cases where the fair value cannot be determined with reasonable assurance.

Gains or losses from movements in the fair value of biological assets less estimated selling and distribution expenses of the Group are recorded in the period they are incurred in the consolidated statement of comprehensive income as Gain (loss) from changes in fair value of biological assets and agricultural produce, net.

The Group capitalizes expenses between the reporting dates into the cost of biological assets.

Biological assets of plant-breeding
The capitalized expenses include all the direct costs and overhead costs related to the farming division. Such costs may include the following costs: raw materials (seeds, mineral fertilizers, fuel and other materials), wages and salaries expenses of production personnel and related charges, amortization and depreciation, land lease expenses and other taxes, third parties' services and other expenses related to the cultivation and harvesting of biological assets of plant-breeding.

The expenses on works connected with preparation of the lands for future harvest are included into the Inventories as work-in-progress. After works on seeding on these lands the cost of field preparation is reclassified to biological assets held at fair value.

Agricultural produce

The Group classifies the harvested product of the biological assets as agricultural produce. Agricultural produce is measured at its fair value less costs to sell at the point of harvest. The difference between the cost and fair value less costs to sell at the point of harvest of harvested agricultural produce is recognized in the consolidated statement of comprehensive income as Gain (loss) from changes in fair value of biological assets and agricultural produce, net.

After the initial recognising as at the date of harvesting agricultural produce is treated as inventories. Agricultural produce measurement as at the date of harvest becomes inventories' cost to account.

Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of agriculture produce is its fair value less costs to sell at the point of harvesting.

The cost of work in progress and finished goods includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity). Costs are capitalized in work in progress for preparing and treating land prior to seeding in the next period. Work in progress is transferred to biological assets once the land is seeded.

The cost of inventories is assigned by using FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group periodically analyses inventories to determine whether they are damaged, obsolete or slow-moving or if their net realizable value has declined, and makes an allowance for such inventories. If such situation occurred, the sum remissive the cost of inventories should be reflected as a part of other expenses in consolidated statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are regognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition for the items not measured at Fair Value through Profit or Loss (FVTPL). Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized on a trade date basis.

All recognized financial assets are measured subsequently in their entirety at their amortised cost or fair value, depending on the classification of the financial assets.

The Group's financial assets include cash and cash equivalents, trade receivables and other receivables and are classified as Financial assets at amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The Group recognises a loss allowance for expected credit losses on financial assets and updates the allowance at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of comprehensive income.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

The Group's financial liabilities include trade payables and other payables, loans and borrowings, which are classified as Financial liabilities at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash payments (including all fees and points or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises a financial liability only when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the sum of the consideration paid and payable is recognised in consolidated statement of comprehensive income.

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 recognized in consolidated statement of comprehensive income.

Prepayments and other non-financial assets

Prepayments are reflected at nominal value less VAT and accumulated impairment losses, other non-financial assets are reflected at nominal value less accumulated impairment losses.

Prepayments are classified as non-current assets when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised as a part of other expenses in Consolidated statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in bank and cash in hand, call deposits.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Taxation

- Income tax
  Income tax expense represents the amount of the tax currently payable and deferred tax.
  Income tax expenses are recorded as expenses or income in the consolidated statement of comprehensive income, except when they relate to items directly attributable to other comprehensive income (in which case the amount of tax is taken to other comprehensive income), or when they arise at initial recognition of company acquisition.
  i. Current income tax
     Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.
  ii. Deferred income tax
     Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
     Deferred tax liabilities are recognized for all taxable temporary differences, except:
     - where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
     - in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
     Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
     - where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
     - in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.
     The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
     Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
     Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- Single tax 4th group (previously Fixed agricultural tax)
  According to effective legislation, the Ukrainian consolidated companies of the Group involved in production, processing and sale of agricultural products may opt for paying single tax 4th group in lieu of income tax, land tax and some other local taxes if the revenues from sale of their own agricultural products constitute not less than 75% of their total (gross) revenues. The single tax 4th group is assessed at 0,95% on the deemed value of the land plots owned or leased by the entity (0,95% in 2023). As at 31 December 2024, 5 of the companies comprising the Group were elected to pay single tax 4th group (2023: 5).

- Value added tax (VAT)
  VAT output equals to the total amount of VAT collected within a reporting period, and arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer. VAT input is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT input arise on the earlier of the date of payment to the supplier or the date goods are received.
  Revenue, expenses and assets are recognized less VAT amount, except cases, when VAT arising on purchases of assets or services, is not recoverable by tax authority; in this case VAT is recognized as part of purchase costs or part of item of expenses respectively. Net amount of VAT, recoverable by tax authority or paid, is included into accounts receivable and payable, reflected in consolidated statement of financial position.
- Other taxes payable
  Other taxes payable comprise liabilities for taxes other than above, accrued in accordance with legislation enacted or substantively enacted by the end of the reporting period.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. A five-step model is established to account for revenue from contracts with customers.

The Group performed an analysis of five-step model as follows:

- the Group concludes contract with the customers in written form, where the parties and each party's rights are mentioned, all conditions relating goods or services, payments and delivery are described.

- the Group is in the business of crops cultivation, dairy farming and providing storage and processing services. Crops and services are sold on their own in separate identified contracts with customers. So the sale of crops and dairy farming products or providing of services is the only performance obligation in contracts with customers.

- the Group receives only short-term advances from its clients and they are presented as a part of Other current liabilities and accrued expenses. The contracts do not contain any variable considerations or warranty obligations. The transaction price is clearly stated in the contract.

- finished products and services transferred to customers at a point in time.

Therefore, the Group recognizes revenue as follows:

- Sales of goods
  Revenue from sales of goods is recognised when a performance obligation is satisfied or when the customer obtains control of the goods. If the Group agrees to transport goods to a specified location, revenue is recognised when the goods are passed to the customer at the destination point. The Group uses standardised INCOTERMS which define the point of risks and reward transfers.
- Rendering of services
  Revenue from rendering services is recognized at the moment of transfer to the customer control over the product or service.

Government grants

Governmet grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent assets and liabilities

Contingent liabilities are not recognized in the consolidated financial statements. The Group discloses information about contingent liabilities in the Notes to the consolidated financial statements if any, except for the cases where fulfillment of contingent liabilities is unlikely; because of the remoteness of the event (possible repayment period is more than 12 months).

The Group constantly analyzes contingent liabilities to determine the possibility of their repayment. If the repayment of a liability, which was previously characterized as contingent, becomes probable, the Group records the provision for the period in which repayment of the obligation has become probable.

Contingent assets are not recognized in the consolidated financial statements, but disclosed in the Notes where there is a reasonable possibility of future economic benefits.

Share capital

Ordinary shares issued are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction. Any excess of the fair value of consideration received over the par value of shares issued is presented in consolidated financial statements as Share premium.

Dividends

Dividends are recognized as a liability and deducted from shareholders' equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Consolidated financial statements are authorized for issue.

Share based payment

Management Incentive Plan defined an option for a Management to purchase the Group's new shares under the subscription price. The issue of these new shares has an impact on Equity – it increases the line Share capital in the amount of subscription and the line Share premium in the amount that quoted share price exceeds subscription price. The expenses arising from share-based payment transactions are recognized as services received and included in Wages and salaries and related charges of administrative personnel of the period in a full amount.

Earnings per share

Earnings per share are determined by dividing the net profit or loss attributable to the owners of Parent company by the weighted average number of shares outstanding during the reporting period.

Income from the exchange of property certificates

When the items of property, plant and equipment are acquired in exchange for non-cash asset (property certificate), the initial value of such assets is estimated at fair value. The difference between the price paid for property certificates and the fair value of received items of property, plant and equipment is recognized as income in the period of the exchange operation.

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. Investment income resulting from temporary investment of received borrowing costs, until their expensing for the purchase of capital construction objects, shall be deducted from the cost of raising borrowing costs that may be capitalized.

All other borrowing costs are expensed in the period they occur.

4 Critical accounting estimates and judgments

The preparation of the Group's Consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Used estimates and assumptions are reviewed by the Management of the Group on a continuous basis, by reference to past experiences, current trends and all available information that is relevant at the time of preparation of consolidated financial statements. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and subsequent periods, if both periods are affected.

In the process of applying the Group's accounting policies, Management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts reflected in the consolidated financial statements.

Fair value measurement

Fair value is the 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

<u>Fair value of property, plant and equipment</u>

The Group engages an independent appraiser to determine the fair value of property, plant and equipment on a regular basis.

The assessment is conducted in accordance with International Valuation Standards for property. The assessment procedure is carried out for all groups of property, plant and equipment. The fair value of items of property, plant and equipment is estimated on the basis of comparative and cost plus approaches.

The comparative approach is based on an analysis of sales prices and offers of similar items of property, plant and equipment, taking into account the appropriate adjustments for differences between the objects of comparison and assessment item. Based on the application of this approach, the fair value of property, plant and equipment is determined on the basis of their market value.

The cost approach involves the definition of present value of costs of reconstruction or replacement of the assessment item with their further adjustment by the depreciation (impairment) amount. Based on the application of this approach, the fair value of certain items of property, plant and equipment is determined in the amount of the replacement of these items. The cost plus method is adjusted by the income method data, which is based on the discounted cash flow model.

This model is most sensitive to the discount rate, as well as to the expected cash flows and growth rates used for the extrapolation purposes. Judgments of the Group in determining the indices used in the appraisers' calculations may have a significant effect on the determination of fair value of property, plant and equipment, and hence on their carrying amount.

The fair value of property, plant and equipment of all the Group's companies has been measured as at 31 December 2023 by an independent appraiser LLC "Asset Expertise" (ODS Certificate No.548/2022 as of 14 November 2022 issued by State Property Fund of Ukraine).

Fair value of biological assets

Due to an absence of an active market for current biological assets of plants-breeding in Ukraine, to determine the fair value of these biological assets, the Group used the discounted value of net cash flows expected from assets as at reporting date. Discounted value of net cash flows is estimated at year-end based on the planted hectares and various assumptions, including estimated market price at the time of harvest, yield, costs to complete, costs to sell and discount rate.

Fair value of agricultural produce

The Group estimates the fair value of agricultural produce at the date of harvesting using the prices observed on the market from an independent source. Costs to sell at the point of harvest are estimated based on expected future selling costs that depend on conditions of sales agreements. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting.

Fair value of financial instruments

The fair value of financial assets and liabilities is determined by applying various valuation methodologies. Management uses its judgment to make assumptions based on market conditions existing at each balance sheet date. Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. Management uses discounted cash flow analysis for various loans and receivables as well as debt instruments that are not traded in active markets. The effective interest rate is determined by reference to the interest rates of instruments available to the Group in active markets. In the absence of such instruments, the effective interest rate is determined by reference to the interest rates of active market instruments available adjusted for the Group's specific risk premium estimated by management.

Useful lives of property, plant and equipment

Items of property, plant and equipment owned by the Group are depreciated using the straight-line method over their useful lives, which are calculated in accordance with business plans and operating calculations of the Group's Management with respect to those assets.

The estimated useful life and residual value of non-current assets are influenced by the rate of exploitation of assets, servicing technologies, changes in legislation, unforeseen operational circumstances. The Group's management periodically reviews the applicable useful lives. This analysis is based on the current technical condition of assets and the expected period in which they will generate economic benefits to the Group.

Any of the above factors may affect the future rates of depreciation, as well as carrying and residual value of property, plant and equipment.

There were no changes in accounting estimates of remaining useful lives of items of property, plant and equipment during Y2023.

But as at 31 December 2023 an independent valuation of the Group's land, buildings, machinery and vehicles was performed in accordance with International Valuation Standards by an independent appraiser LLC "Asset Expertise" (ODS Certificate No.548/2022 as of 14 November 2022 issued by State Property Fund of Ukraine). In the process of preparing data for the appraiser, a lot of information was collected regarding the current technical condition of assets. The engineers of each department in each cluster of the Group collected data on repairs and upgrades carried out, about methods of using of assets, analyzed the available information on plans for these assets. Also the analysis of existence of the facts of increased wear of structures, malfunctions, intensive or inadequate operating conditions and storage conditions was carried out. This work was carried out jointly with appraisers, who also expressed their opinion on the recommended remaining useful life terms for the fixed assets in the context of each object that was included in the assessment.

As a result of this work, a large amount of new information was obtained with respect to the existing assets, that became the basis for the revision of the fixed assets remaining useful life terms as at 31 December 2023. The Group's management believes that the newly applied estimates to the terms of use of PPE reflect in the best way both the technical condition of the assets and the consumption of the benefits from their use.

Impairment of property, plant and equipment and intangible assets

An impairment review is conducted at the balance sheet date. To test property, plant and equipment and intangible assets for impairment, the Group's business is treated as two cash generating units: farming division and storage and processing. The recoverable amount of the cash-generating unit is determined on the basis of value in use. The amount of value in use for the cash-generating unit is determined on the basis of the most recent budget estimates prepared by management and application of the income approach of valuation.

Inventories

As at the reporting date the Group assesses the need to reduce the carrying amount of inventories to their net realizable value. The measurement of impairment is based on the analysis of market prices for similar inventories existing at the reporting date and published in official sources. Such assessments can have a significant impact on the carrying amount of inventories.

Besides, at each balance sheet date, the Group assesses inventories for surplus and obsolescence and determines the allowance for obsolete and slow moving inventories. Changes in assessment can influence the amount of required allowance for obsolete and slow moving inventories either positively or negatively.

At the reporting date the item Work-in-progress includes expenses on works connected with preparation of the lands for the future harvest obtained from the biological assets of plant growing. The cost of work in progress includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity). Costs allocation to Work-in-progress includes a number of judgments of management based on the recommendations of scientific sources and agronomic calculations of the internal services of the Group.

Inventories as at the year-end are an estimate resulting in a surplus/decrease in inventories when stock take is performed in subsequent year.

Inventory balances at the reporting dates are confirmed by inventories. But the amount of grain at the elevators and the method of its storage do not allow weighing of the whole grain at the time of the inventory. Therefore, enterprises use other methods for determining the amount of grain at the elevator.

The method consists in the following:

- there is passport data of the volume of silo storage tanks
- the commission inventories each tank and determines the volume filled with grain
- there is an indicator "nature of grain", i.e. its weight in 1 liter
- the volume of grain is multiplied by its nature and the amount of grain in kg is obtained

But in fact, deviations are possible due to permissible errors in grain moisture, which resulting in a surplus/decrease in inventories when stock take is performed in subsequent year during the cleaning of the elevator.

Provision for expected credit losses

The Group uses a provision matrix to calculate expected credit losses for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

Management assesses whether there are any indicators of possible impairment of non-financial assets at each reporting date. If any events or changes in circumstances indicate that the current value of the assets may not be recoverable or the assets, goods or services relating to a prepayment will not be received, the Group estimates the recoverable amount of assets. If there is objective evidence that the Group is not able to collect all amounts due to the original terms of the agreement, the corresponding amount of the asset is reduced directly by the impairment loss in the consolidated statement of comprehensive income. Subsequent and unforeseen changes in assumptions and estimates used in testing for impairment may lead to the result different from the one presented in the consolidated financial statements.

Taxation

The Group mostly operates in the Ukrainian tax jurisdiction. The Group's management must interpret and apply existing legislation to transactions with third parties and its own activities. Significant judgment is required in determining the provision for direct and indirect 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 affect the income tax and deferred tax provisions in the period in which such determination is made.

As a result of unstable economic situation in Ukraine, tax authorities in Ukraine pay more and more attention to the business cycles. In connection with it, tax laws in Ukraine are subject to frequent changes. Furthermore, there are cases of their inconsistent application, interpretation and execution. Non-compliance with laws and norms may lead to serious fines and penalties accruals.

Management at every reporting period reassessed the Group's uncertain tax positions. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the reporting period and any known Court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the reporting period.

The Group considers that it operates in compliance with tax laws of Ukraine.

The Group also operates in Luxembourg, Cyprus and British Virgin Islands tax juristactions and are in compliance with local tax laws.

Legal proceedings

The Group's Management makes significant assumptions in estimation and reflection of the risk of exposure to contingent liabilities related to current legal proceedings and other unliquidated claims, as well as other contingent liabilities. Management's judgments are required in assessing the possibility of a secured claim against the Group or material obligations, as well as in determining probable amounts of final payment or obligations. Due to the uncertainties inherent in the evaluation process, actual expenses may differ from the initial calculations.

These preliminary estimates are subject to changes as new information becomes available from the Group's internal specialists, if any, or from third parties, such as lawyers. Revisions of such estimates may have a significant impact on future operating results.

Operating environment and going concern

Operating environment

Russia's invasion of Ukraine continues to cause staggering losses to people and the economy. However, Ukraine's economy has remained resilient. The Ministry of Economy estimates Ukraine's GDP growth at 3.6% in 2024, supported by defence spending, agricultural exports and recovering metallurgical production. With the continuing war and plateauing external support, growth is projected to moderate to 2.5% in 2025 and 2.0% in 2026. Growth would be stronger if the security situation stabilises and reconstruction and recovery accelerate.

At the end of 2022 and throughout 2023, inflation was brought under control thanks to the stabilisation of the economic situation, the NBU's competent actions, and the refusal to finance the budget by printing hryvnia. The deceleration in inflation was also driven by the record-high harvest in 2023. However, in 2024, inflation began to accelerate again: the NBU cited the exhaustion of the impact of last year's significant harvests, electricity shortages and labour shortages, and the summer drought of 2024 as the main reasons. Inflation at the end of 2024 increased to 12% in annual terms, while a year ago its value reached 5.1%.

As at 31 December 2024 Ukrainian Hryvnia devaluated against the USD compared 31 December 2023 by 9,6% (3,7% of devaluation as at 31 December 2023 compared 31 December 2022), 8,9% of devaluation for the average rate 2024/2023 in comparison with 11,5% of devaluation for the average rate 2023/2022.

Since the beginning of the full-scale invasion, all of Ukraine's own state budget revenues have been used to finance defence, accounting for approximately half of the state budget. All civilian expenditures of the state budget are financed by foreign financial assistance – in 2024, the need for such external financing is $38 billion. Foreign aid covered 73% of the additional needs of the state budget for 12 months of 2024. Foreign financing was not enough to fully cover the financial needs for this period, but this was expected. Domestic government bonds were the main source of financing the deficit. Ukraine enters 2025 with a more stable fiscal position than in 2024. External financing this year is expected to fully cover the state budget's anticipated needs.

Ukraine's labour market expiriences all the challenges of a full-scale war. The economic shock of the beginning of the Russian invasion led to a drop in both demand and supply of labour. Later, demand for labour began to recover slowly, however, the labour market remains less dynamic than before the full-scale invasion.

Russian forces continue to attack Ukraine's energy system to cause maximum destruction and prolonged power outages. However, Ukrainian energy workers persist in repairing all damage and strengthening the protection of critical infrastructure. Thanks to these efforts, Ukraine entered 2025 with minimal or no power outages for residential and industrial consumers. The situation even allowed for commercial electricity exports during certain hours, helping to balance the system and generating additional revenue for energy companies.

Going concern

Ukraine continues to face the ongoing full-scale Russian invasion since 24 February 2022, with significant war operations in the south and east of the country and drone and rocket attacks against civilian infrastructure throughout the whole territory of Ukraine. War affected the economic and social life of the country and posed a number of operational issues for the Company. At the time of publication of this Report the war is ongoing and the significant general uncertainties inherent to the continued war exist.

The Group's management has analyzed the observable impact of the War on its business as described below, but not limited to:

- As of December 31, 2024, 116 IMC employees are actively serving in the Armed Forces of Ukraine. All of our enterprises have been designated as critically important for the functioning of the economy and ensuring the livelihood of the population during this special period. Throughout 2024, approximately 50% of male employees were granted official deferments from military service to continue fulfilling their professional responsibilities. Despite the challenges, the Group has managed to maintain a stable workforce without experiencing labor shortages, with all employees having returned to their roles in offices or production facilities.
- No critical assets preventing the Group to continue operations are damaged or located in the uncontrolled territories. All of the Group's inventories are in good condition and are in safe storage.
- It was sown 100% of the land bank in 2024 (100% in 2023). The structure of crops was changed in the direction of decreasing areas under corn in favor of sunflower and wheat in 2023 (corn 40%, sunflower 28%, wheat 27%). The Group returned to its traditional crop structure in 2024 (corn 55%, sunflower 20%, wheat 17%).
- The companies of the Group were provided with heat and power units in order to avoid downtime due to electricity outages in Ukraine caused by Russia's attacks on Ukrainian power generation and distribution infrastructure.
- The Group successfully exports through the Black Sea corridor and also uses alternative logistics routes.
- IMC has invested in its own grain railway wagons. In 2024, the company purchased 195 wagons (another 10 wagons were received from the USAID Economic Resilience Activity (ERA)) and plans to add another 95 wagons to its fleet in 2025. Having own railway wagons fleet will allow IMC to significantly save on the cost of railway logistics. We estimate that starting next year we will export up to 80% of the grain produced by the company using our own railway wagon fleet.
- Increased sales volumes and prices for grain allowed to reduce the total debt as at the end of 2024 to USD 23,3 mln (USD 45,7 mln as at the end of 2023). The debt reduction was achieved through the repayment of short-term revolving credit lines, which remained active and, if necessary, the Group can select the credit limit at any time. The Group has committed to comply with loans covenants. As at 31 December 2024 the Group was in compliance with all loans covenants.

In response to abovementioned impacts, the Group has taken the following actions:

- The safety and well-being of our employees have been the utmost priority amid military actions in Ukraine resulting from russia's invasion. IMC has been providing extensive support to its employees. The business processes have been reorganized to adjust to the existing challenges and to provide continuity to the Group's activities.
- It is planned to sow all 100% of the land. Area under these crops is planned as 56%, 21% and 18% of the total crop mix in 2025 (corn 55%, sunflower 20%, wheat 17% for 2024).
- To reduce the risk of loss of stocks from destruction due to missile attacks, stocks are placed in different regions and different locations. To reduce the risk of damage of stocks from long-term storage, alternative shipping routes are being developed to prevent accumulation of stocks in warehouses, and plastic sleeves are used for storing crops in order to ensure the most correct storage conditions outside the elevator.

- The Group successfully exports through the Black Sea corridor and also uses alternative logistics routes - by rail across the western borders of Ukraine and river navigation through the Danube. To strengthen logistical autonomy, a fleet of grain trucks and grain hopper cars was purchased, which will help improve operational efficiency and increase IMC's export capabilities.
- The Group is fully provided with agricultural materials for the upcoming sowing season 2025, as well as machineries for the field works.
- The Group has sufficient working capital and access to financing. The Group has balanced proportions between the volume of renewable short-term credit lines and long-term investment programs.
- The Group is fully compliant with all sanction's rules and regulations against Russia and Belarus. IMC does not cooperate with any company, organization or bank that cooperates or has any business relations with companies, organizations or banks in Russia and Belarus.
- The Group's companies continue to pay all taxes required by law and to comply with all business rules, regardless of martial law.

Management prepared Groups budget for the next 12 months with the following assumptions:

- the impact of the war on business will continue for the next 12 months;
- further development of the war will not severely affect the Group's assets;
- all of the Group's assets remain safe and in good condition;
- spring sowing and harvesting campaigns will be successful;
- repayment of the loans principal occurs according to the terms;
- availability of sea export routes via Black Sea;
- availability of railway and transport infrastructure within the country.

Based on these forecasts, Management concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis. However, due to the currently unpredictable effects of the ongoing War on the significant assumptions underlying forecasts, Management concluded that a material uncertainty exists, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

5 New and amended standards and interpretations

Applying of new standards

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16 Leases (Amendment - Liability in a sale and leaseback)

The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendment had no impact on the Group's consolidated financial statements.

IAS 1 Presentation of Financial Statements (Amendment – Classification of liabilities as current or non-current and non-current liabilities with covenants)

Amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendment had no impact on the Group's consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments (Disclosures – Supplier finance arrangements)

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to requirespecific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

- The new disclosures will provide information about:
- The terms and conditions of SFAs.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities, for which the suppliers have already received payment from the finance providers.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities.
- Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The amendment had no impact on the Group's consolidated financial statements.

Issued but not yet effective standards

At the date of authorization of these Consolidated financial statements the following interpretations and amendments to the Standards, were in issue but not yet effective:

Standards and Interpretations	Effective for annual period beginning on or after
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	1 January 2025
Amendments to IFRS 9 and IFRS 7 (Amendments to the Classificatioand Measurement of Financial Instruments)	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

The management does not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

(in thousand USD, unless otherwise stated)

6 Revenue

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue from sales of finished products	a	211 160	139 233
Revenue from services rendered	b	128	220
		211 288	**139 453**

Disaggregation of revenue from contracts with customers

The Group presented disaggregated revenue based on the type of finished products (a) and services provided to customers (b), the type of customers (c) and the timing of transfer of goods and services (d).

a) Revenue from sales of finished products was as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Corn	107 854	99 522
Sunflower	46 454	17 062
Wheat	56 005	22 059
Other	847	590
	211 160	**139 233**

b) Revenue from services rendered was as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Transport	64	123
Storage	28	67
Other	36	30
	128	**220**

c) Revenue by the type of customers was as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Export	157 998	95 190
Domestic	53 290	44 263
	211 288	**139 453**

d) All finished products and services transferred to customers at a point in time.

(in thousand USD, unless otherwise stated)

7 Gain from changes in fair value of biological assets and agricultural produce, net

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Agricultural produce	23	69 892	15 132
Current biological assets	23	5 885	110
		75 777	**15 242**

8 Cost of sales

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Raw materials	a	(98 602)	(94 877)
Change in inventories and work-in-progress	b	(26 101)	23 064
Depreciation and amortization	13	(17 104)	(16 003)
Wages and salaries of operating personnel and related charges	14	(13 889)	(13 546)
Fuel and energy supply		(13 150)	(19 487)
Third parties' services		(5 540)	(7 689)
Rent		(1 897)	(2 767)
Repairs and maintenance		(789)	(521)
Taxes and other statutory charges		(758)	(802)
Other expenses		(140)	(82)
		(177 970)	**(132 710)**

a) The raw-materials expense for the year ended 31 December 2024 includes the reversal (derecognition) of earlier fair-value gains recognised on harvested agricultural produce and biological assets, amounting to USD 47 837 thousand (2023: USD 47 945 thousand).

b) Change in inventories and work-in-progress comprises changes in work-in-progress, agricultural produce and current biological assets.

9 Administrative expenses

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Wages and salaries of administrative personnel and related charges	14	(8 153)	(7 612)
Depreciation and amortisation	13	(519)	(500)
Professional services	a	(487)	(518)
Third parties' services		(172)	(97)
Bank services		(241)	(227)
Repairs and maintenance		(178)	(135)
Transport expenses		(248)	(271)
Other expenses		(336)	(306)
		(10 334)	**(9 666)**

(in thousand USD, unless otherwise stated)

a) Professional services include the following audit and related fees:

	Fees billed by approved audit firm (Crowe network)	
	For the year ended 31 December 2024	**For the year ended 31 December 2023**
Audit fees	139	119
Audit related fees	24	20
Tax fees	-	-
	163	**139**

10 Selling and distribution expenses

	Note	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
Forwarding services		(28 682)	(20 909)
Delivery costs		(2 203)	(2 559)
Wages and salaries of sales personnel and related charges	14	(361)	(258)
Depreciation	13	(47)	(53)
Other expenses		(142)	(215)
		(31 435)	**(23 994)**

11 Other operating income

	For the year ended 31 December 2024	**For the year ended 31 December 2023**
Rental income	1 408	-
Income from write-offs of accounts payable	101	153
Gain on recovery of assets previously written off	14	20
Gain on disposal of PPE	427	204
Gain on disposal of inventories	58	157
Effect of modification of right-of-use assets	580	668
Other income	338	242
	2 926	**1 444**

(in thousand USD, unless otherwise stated)

12 Other operating expenses

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Depreciation	13	(606)	(214)
Charity		(1 458)	(301)
Wages and salaries of non-operating personnel and related charges	14	(7)	(6)
Shortages and losses due to impairment of inventories		(2)	(2 512)
Write-offs of VAT		(53)	(31)
Allowance for doubtful accounts receivable	26	(59)	(91)
Other expenses		(232)	(168)
		(2 417)	**(3 323)**

13 Depreciation and amortisation

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Depreciation			
Cost of sales	8	(17 036)	(15 909)
Administrative expenses	10	(513)	(492)
Selling and distribution expenses	12	(47)	(53)
Other operating expenses	9	(606)	(214)
		(18 202)	**(16 668)**
Amortisation			
Cost of sales	8	(68)	(94)
Administrative expenses	10	(6)	(8)
		(74)	**(102)**
		(18 276)	**(16 770)**

14 Wages and salaries expenses

	For the year ended 31 December 2024	For the year ended 31 December 2023
Wages and salaries	(18 826)	(17 969)
Related charges	(3 584)	(3 453)
	(22 410)	**(21 422)**
The average number of employees, persons	1 749	1 725
Remuneration of management	1 455	1 320

(in thousand USD, unless otherwise stated)

The distribution of wages and salaries and related charges was as follows:

		For the year ended 31 December 2024		For the year ended 31 December 2023	
	Note	**Wages and salaries and related charges, thousand USD**	**Average number of employees, persons**	**Wages and salaries and related charges, thousand USD**	**Average number of employees, persons**
Operating personnel	8	(13 889)	1 232	(13 546)	1 212
Administrative personnel	9	(8 153)	498	(7 612)	495
Sales personnel	10	(361)	17	(258)	16
Non-operating personnel	12	(7)	2	(6)	2
		(22 410)	**1 749**	**(21 422)**	**1 725**

15 Financial expenses, net

	For the year ended 31 December 2024	For the year ended 31 December 2023
Interest income on bank deposits	1 703	1 218
Interest expenses on loans and borrowings	(2 681)	(2 110)
Other expenses	(257)	(218)
	(1 235)	**(1 110)**

16 Foreign currency exchange gain/(loss), net

As at 31 December 2024 Ukrainian Hryvnia devaluated against the USD compared 31 December 2023 by 9,6% (3,7% of devaluation as at 31 December 2023 compared 31 December 2022), 8,9% of devaluation for the average rate 2024/2023 in comparison with 11,5% of devaluation for the average rate 2023/2022. During the 2024 the Group recognised net foreign exchange loss in the amount of USD 4 501 thousand and USD 1 185 thousand of net loss for the 2023 (relates mostly to the revaluation of loans) in the Consolidated statement of comprehensive income.

(in thousand USD, unless otherwise stated)

17 Income tax expenses and deferred tax liabilities

The corporate income tax rate for the year ended 31 December 2024 was: 18% in Ukraine, 12,5% in Cyprus, 24,94% in Luxemburg.

The components of income tax expenses were as follows:

	For the year ended 31 December 2024	**For the year ended 31 December 2023**
Current income tax	(807)	(44)
Deferred tax	18	94
	(789)	**50**
Consolidated statement of other comprehensive income		
Deferred tax related to item charged or credit directly to other comprehensive income during year:		
Net gain on revaluation of property, plant and equipment	176	(613)

The deferred tax liabilities were as follows:

	Property, plant and equipment
31 December 2022	**(1 973)**
Income tax benefit (expenses) for the period recognized in profit or loss	94
Income tax benefit (expenses) for the period recognized in other comprehensive income	(613)
Effect of foreign currency translation	58
31 December 2023	**(2 434)**
31 December 2023	**(2 434)**
Income tax benefit (expenses) for the period recognized in profit or loss	18
Income tax benefit (expenses) for the period recognized in other comprehensive income	176
Effect of foreign currency translation	226
31 December 2024	**(2 014)**

No deferred tax asset has been set up on loss carry forwards of some enetities of the Group, as there are not sufficient profits foreseen on these entities to justify the set up of deferred tax assets.

Reconciliation between tax expenses and the accounting value multiplied by tax rate was as follows:

	For the year ended 31 December 2024	**For the year ended 31 December 2023**
Profit before tax from continuing operations	55 327	(21 080)
Income tax expenses at Ukrainian statutory tax rate	-	-
Effect of income tax that exempt from taxation (companies non-payers of income tax)	-	-
Effect of different tax rates of foreign jurisdictions	(4)	99
Non-taxable (expense)/income, net	(138)	(49)
Withholding tax	(647)	-
Income tax	(789)	50

(in thousand USD, unless otherwise stated)

18 Property, plant and equipment (PPE)

	Land and buildings	Machinery	Motor vehicles	Other	Construction in progress	Total
INITIAL COST						
31 December 2022	**43 224**	**32 957**	**16 921**	**243**	**83**	**93 428**
Additions	79	4 051	12 582	8	83	16 803
Disposals	(777)	(1 352)	(898)	(9)	-	(3 036)
Revaluation	9 239	5 593	2 624	-	-	17 456
Reversal of impairment	237	132	21	-	-	390
Impairment	(87)	(28)	(69)	-	-	(184)
Proportional restatement following revaluation	41 605	23 888	5 002	-	-	70 495
Effect from translation into presentation currency	(1 589)	(1 331)	(1 061)	(9)	(6)	(3 996)
31 December 2023	**91 931**	**63 910**	**35 122**	**233**	**160**	**191 356**
31 December 2023	**91 931**	**63 910**	**35 122**	**233**	**160**	**191 356**
Additions	784	5 359	16 764	15	111	23 033
Disposals	(67)	(2 463)	(2 813)	(5)	-	(5 348)
Transfer to assets classified as held for sale	(1 090)	(333)	-	(1)	-	(1 424)
Effect from translation into presentation currency	(8 902)	(6 295)	(4 014)	(23)	(23)	(19 257)
31 December 2024	**82 656**	**60 178**	**45 059**	**219**	**248**	**188 360**
ACCUMULATED DEPRECIATION						
31 December 2022	**(15 582)**	**(20 357)**	**(11 322)**	**(104)**	**-**	**(47 365)**
Depreciation for the period	(1 447)	(2 471)	(1 784)	(37)	-	(5 739)
Disposals	755	1 049	819	6	-	2 629
Proportional restatement following revaluation	(41 605)	(23 888)	(5 002)	-	-	(70 495)
Effect from translation into presentation currency	608	809	457	5	-	1 879
31 December 2023	**(57 271)**	**(44 858)**	**(16 832)**	**(130)**	**-**	**(119 091)**
31 December 2023	**(57 271)**	**(44 858)**	**(16 832)**	**(130)**	**-**	**(119 091)**
Depreciation for the period	(1 701)	(3 604)	(2 848)	(33)	-	(8 186)
Disposals	53	2 146	2 444	4	-	4 647
Transfer to assets classified as held for sale	394	233	-	-	-	627
Effect from translation into presentation currency	5 603	4 393	1 643	14	-	11 653
31 December 2024	**(52 922)**	**(41 690)**	**(15 593)**	**(145)**	**-**	**(110 350)**
Net book value						
31 December 2022	**27 642**	**12 600**	**5 599**	**139**	**83**	**46 063**
31 December 2023	**34 660**	**19 052**	**18 290**	**103**	**160**	**72 265**
31 December 2024	**29 734**	**18 488**	**29 466**	**75**	**248**	**78 010**

(in thousand USD, unless otherwise stated)

As at 31 December 2023 an independent valuation of the Group's land, buildings, Machinery and vehicles was performed in accordance with International Valuation Standards by an independent appraiser LLC "Asset Expertise" (ODS Certificate No. 548/2022 as of 14 November 2022 issued by State Property Fund of Ukraine).

PPE are measured within level 3 of the fair value hierarchy. Most buildings and constructions were valued using cost approach. Other items of PPE were valued using the market approach. Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

Cost approach either determines the cost to construct the assets in their present state and considers their remaining useful life or identifies fair value as a depreciated replacement cost. Cost approach was used only in the cases where there was no possibility to use market approach.

The following factors were considered in determining the fair values of buildings under the depreciated replacement cost approach:

• the cost to construct the asset is based on the cost of the necessary materials and construction work as at the date of valuation;
• expected usage of the asset is assessed by reference to the asset's expected capacity or physical output;
• technical or commercial obsolescence arising from changes or improvements in production for the product or service output of the asset as well as physical deterioration.

Impairment test

As at 31 December 2024 and 31 December 2023 impairment tests were conducted, according to the results of the tests impairment of PPE was not identified.

As at 31 December 2024 an impairment review was conducted by the management of the Group.

As at 31 December 2023, impairment test was performed by an independent appraiser, since impairment test is an integral part of valuation of property, plant and equipment wherein used the depreciated replacement cost method.

Impairment testing was performed based on value in-use calculation using the DCF method. Cash flow projection is based on the long-term budget approved by management of the Group.

The key assumptions used for impairment testing are: discount rates, selling prices, amounts of revenue, cost of production, expenses, production and sales volumes. Discount rates were estimated based on weighted average cost of capital and comprised 25,98% (2022 – 30,46%).

Production volume was estimated based on current production level; potential increase in land and crop yields is not taken into account. Cost of production was estimated based on current actual cost of production inflated by expected level of inflation, taking into account higher inflation levels for costs directly or indirectly pegged to USD (such as gas). When determining selling prices, the Group analyzed available forecasts for export and domestic markets, including forecasted supply and demand.

If PPE were measured at cost their book value would be the following:

	Land and buildings	Machinery	Motor vehicles	Other	Construction in progress	Total
Net book value						
31 December 2022	7 895	10 579	5 044	139	83	**23 740**
31 December 2023	6 265	11 414	15 179	103	160	**33 121**
31 December 2024	4 026	11 586	26 656	74	248	**42 590**

Capitalized cost

There were no borrowing costs capitalized as a part of costs of property, plant and equipment during the year ended 31 December 2024 and 2023.

(in thousand USD, unless otherwise stated)

Assets under construction

Included in property, plant and equipment as at 31 December 2024 was an amount of USD 233 thousand (USD 160 thousand as at 31 December 2023) relating to expenditure for property, plant and equipment in the course of construction.

Capital commitments

As at 31 December 2024 the Group had capital commitments in the amount of USD 6 407 thousand (USD 5 200 thousand as at 31 December 2023).

Pledged PPE

The amount of property, plant and equipment pledged to secure bank loans was as follows:

	31 December 2024	31 December 2023
Land and buildings	23 112	26 687
Machinery	5 789	7 677
Motor vehicles	4 733	5 863
Other	4	5
	33 638	**40 232**

19 Right-of-use assets

Amounts recognised in the consolidated statements of financial position:

	31 December 2024	31 December 2023
Right-of-use assets		
Land	99 373	105 840
Office	233	19
Machinery	202	1 116
	99 808	**106 975**
Lease liabilities as to right-of-use assets		
Long-term	**91 406**	**99 188**
Land	91 250	98 852
Office	156	-
Machinery	-	336
Current portion	**13 424**	**12 931**
Land	12 941	11 510
Office	148	27
Machinery	335	1 394
	104 830	**112 119**

(in thousand USD, unless otherwise stated)

Amounts recognised in the consolidated statements of comprehensive income:

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Depreciation of right-of-use assets			
Land	8	(9 052)	(9 307)
Office	9	(119)	(115)
Machinery	8	(845)	(1 507)
		(10 016)	**(10 929)**
Financial effect of lease of right-of-use assets		(6 747)	(5 396)

If IFRS 16 was not applied, the amount of land rent expense to be accrued according to the terms of the lease agreements for the year ended 31 December 2024 would be USD 14 082 thousand (USD 12 459 thousand for the year ended 31 December 2023).

The following changes took place in the right-of-use assets:

	Land	Office	Machinery	Total
Net book value as at 31 December 2022	**116 165**	**135**	**2 668**	**118 968**
Cost as at 31 December 2022	135 591	336	9 274	145 201
Accumulated depreciation as at 31 December 2022	(19 426)	(201)	(6 606)	(26 233)
Additions	15 041	-	-	15 041
Depreciation	(9 307)	(115)	(1 507)	(10 929)
Disposals	(11 966)	-	-	(11 966)
Cost disposals	(15 370)	-	(4 631)	(20 001)
Accumulated depreciation disposals	3 404	-	4 631	8 035
Effect from translation into presentation currency	(4 093)	(1)	(45)	(4 139)
Cost as at 31 December 2023	130 227	324	4 468	135 019
Accumulated depreciation as at 31 December 2023	(24 387)	(305)	(3 352)	(28 044)
Net book value as at 31 December 2023	**105 840**	**19**	**1 116**	**106 975**
Net book value as at 31 December 2023	**105 840**	**19**	**1 116**	**106 975**
Cost as at 31 December 2023	130 227	324	4 468	135 019
Accumulated depreciation as at 31 December 2023	(24 387)	(305)	(3 352)	(28 044)
Additions	23 194	345	-	23 539
Depreciation	(9 052)	(119)	(845)	(10 016)
Disposals	(10 220)	-	-	(10 220)
Cost disposals	(13 835)	(306)	-	(14 141)
Accumulated depreciation disposals	3 615	306	-	3 921
Effect from translation into presentation currency	(10 389)	(12)	(69)	(10 470)
Cost as at 31 December 2024	126 601	330	4 039	130 970
Accumulated depreciation as at 31 December 2024	(27 228)	(97)	(3 837)	(31 162)
Net book value as at 31 December 2024	**99 373**	**233**	**202**	**99 808**

(in thousand USD, unless otherwise stated)

The following changes took place in the lease liabilities as to right-to-use assets:

	Land	Office	Machinery	Total
Total lease liabilities as at 31 December 2022	**122 133**	**183**	**2 901**	**125 217**
Non-current lease liabilites as at 31 December 2022	108 301	26	1 565	109 892
Current lease liabilites as at 31 December 2022	13 832	157	1 336	15 325
Additions	15 041	-	-	15 041
Interest expenses	5 254	4	138	5 396
Payment of interests	(537)	(4)	(79)	(620)
Payment of lease liabilities	(14 554)	(76)	(1 337)	(15 967)
Disposals	(12 640)	-	-	(12 640)
Other changes	(64)	(79)	-	(143)
Effect from translation into presentation currency	(4 271)	(1)	107	(4 165)
Non-current lease liabilites as at 31 December 2023	98 852	-	336	99 188
Current lease liabilites as at 31 December 2023	11 510	27	1 394	12 931
Total lease liabilities as at 31 December 2023	**110 362**	**27**	**1 730**	**112 119**

	Land	Office	Machinery	Total
Total lease liabilities as at 31 December 2023	**110 362**	**27**	**1 730**	**112 119**
Non-current lease liabilites as at 31 December 2023	98 852	-	336	99 188
Current lease liabilites as at 31 December 2023	11 510	27	1 394	12 931
Additions	23 194	345	-	23 539
Interest expenses	6 671	19	57	6 747
Payment of interests	(675)	(8)	(54)	(737)
Payment of lease liabilities	(13 650)	(85)	(1 350)	(15 085)
Disposals	(10 855)	-	-	(10 855)
Other changes	-	22	61	83
Effect from translation into presentation currency	(10 856)	(16)	(109)	(10 981)
Non-current lease liabilites as at 31 December 2024	91 250	156	-	91 406
Current lease liabilites as at 31 December 2024	12 941	148	335	13 424
Total lease liabilities as at 31 December 2024	**104 191**	**304**	**335**	**104 830**

(in thousand USD, unless otherwise stated)

20 Intangible assets

	Computer software	Property certificates	Land lease rights	Total
INITIAL COST				
31 December 2022	**61**	**165**	**7 050**	**7 276**
Effect from translation into presentation currency	(3)	(6)	(262)	(271)
31 December 2023	**58**	**159**	**6 788**	**7 005**
31 December 2023	**58**	**159**	**6 788**	**7 005**
Effect from translation into presentation currency	(5)	(15)	(655)	(675)
31 December 2024	**53**	**144**	**6 133**	**6 330**
ACCUMULATED AMORTISATION				
31 December 2022	**(37)**	**(4)**	**(6 783)**	**(6 824)**
Amortisation for the period	(8)	(1)	(93)	(102)
Effect from translation into presentation currency	2	-	256	258
31 December 2023	**(43)**	**(5)**	**(6 620)**	**(6 668)**
31 December 2023	**(43)**	**(5)**	**(6 620)**	**(6 668)**
Amortisation for the period	(6)	(1)	(67)	(74)
Effect from translation into presentation currency	4	1	641	646
31 December 2024	**(45)**	**(5)**	**(6 046)**	**(6 096)**
NET BOOK VALUE				
31 December 2022	**24**	**161**	**267**	**452**
31 December 2023	**15**	**154**	**168**	**337**
31 December 2024	**8**	**139**	**87**	**234**

Property certificates represent deeds supporting ownership right for property units of members of agricultural entity, which are intended for exchange by the Group companies on the property objects of this agricultural entity.

21 Assets classified as held for sale

The management of the Group decided to divest complex of fixed assets comprising buildings and equipment in them. In 4Q2024 the Group committed to a plan to sell the assets and an active programme to locate a buyer and complete the plan has been initiated. As at 31 December 2024 the buyer was found, but as not all the conditions were met, the deal was not finalized and related PPE were classified as assests held for sale.

The carrying amount of assets held for sale was as follows:

	31 December 2024
Property, plant and equipment	797

(in thousand USD, unless otherwise stated)

22 Inventories

	Note	31 December 2024	31 December 2023
Agricultural produce	a	63 704	75 025
Work-in-progress	b	9 754	8 104
Agricultural materials		2 221	4 346
Spare parts		303	254
Fuel		866	1 327
Raw materials		200	285
Other inventories		142	167
		77 191	**89 508**

As at 31 December 2024 cost value of inventories amounts to USD 51 386 thousand (USD 84 338 thousand as at 31 December 2023).

a) As at the reporting dates agricultural produce was presented as follows:

	31 December 2024	31 December 2023
Corn	62 610	43 014
Wheat	342	20 504
Sunflower	680	11 365
Other	72	142
	63 704	**75 025**

The fair value of agricultural produce was estimated based on market price as at date of harvest and is within level 2 of the fair value hierarchy.

b) Work-in-progress includes expenses on works connected with preparation of the lands for the future harvest obtained from the biological assets of plant growing. The cost of work in progress includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity).

As at the reporting dates loans and borrowings were secured by agricultural produce:

	31 December 2024	31 December 2023
Corn	-	7 361
Wheat	-	4 941
Sunflower	-	5 229
	-	**17 531**

(in thousand USD, unless otherwise stated)

23 Current biological assets

	31 December 2024		31 December 2023	
Plant-breeding	**Area, ha**	**Book value**	**Area, ha**	**Book value**
Wheat	20 717	10 844	20 301	2 952
Corn	-	-	7 340	8 342
	20 717	**10 844**	**27 641**	**11 294**

Following changes took place in the current biological assets of plant-breeding:

	Wheat	Corn	Sunflower	Total
31 December 2022	**9 910**	**37 522**	**-**	**47 432**
Capitalized expenses (harvest 2022, partially concluded in 2023)	-	3 307	-	**3 307**
Revaluation at fair value at the date of harvest (harvest 2022, partially concluded in 2023)	-	(105)	-	**(105)**
Harvesting (harvest 2022, , partially concluded in 2023)	-	(40 713)	-	**(40 713)**
Capitalized expenses (harvest 2023)	17 884	40 017	22 455	**80 356**
Revaluation at fair value at the date of harvest (harvest 2023)	1 567	11 064	2 606	**15 237**
Harvesting (harvest 2023)	(29 359)	(45 217)	(25 061)	**(99 637)**
Capitalized expenses (harvest 2024)	5 750	-	-	**5 750**
Revalued at fair value (harvest 2024)	(2 685)	2 795	-	**110**
Effect from translation into presentation currency	(115)	(328)	-	**(443)**
31 December 2023	**2 952**	**8 342**	**-**	**11 294**
31 December 2023	**2 952**	**8 342**	**-**	**11 294**
Capitalized expenses (harvest 2023, partially concluded in 2024)	**-**	**851**	**-**	**851**
Revaluation at fair value at the date of harvest (harvest 2023, partially concluded in 2024)	**-**	(950)	-	**(950)**
Harvesting (harvest 2023, partially concluded in 2024)	**-**	(7 793)	-	**(7 793)**
Capitalized expenses (harvest 2024)	10 172	55 163	17 497	**82 832**
Revaluation at fair value at the date of harvest (harvest 2024)	10 750	41 905	18 187	**70 842**
Harvesting (harvest 2024)	(23 714)	(97 066)	(35 684)	**(156 464)**
Capitalized expenses (harvest 2025)	5 468	-	-	**5 468**
Revalued at fair value (harvest 2025)	5 885	-	-	**5 885**
Effect from translation into presentation currency	(669)	(452)	-	**(1 121)**
31 December 2024	**10 844**	**-**	**-**	**10 844**

As at 31 December 2024 and as at 31 December 2023 there were no pledged biological assets.

Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined rate. The fair value of biological assets is determined by the Group's own agricultural and IFRS experts. The forecast indicators of crop yields used in assessing crops are determined on the basis of the current history of crop yields. The indicators of past periods are taken as a basis and are adjusted taking into account the state of crops, climatic conditions, varietal characteristics of the crop, soil fertility and the application of new technologies.

Biological assets of the Group are measured at fair value within Level 3 of the fair value hierarchy. There were no transfers between any levels during the Y2024 and Y2023.

(in thousand USD, unless otherwise stated)

Description	Fair value as at 31 December 2024	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Crops in fields - Wheat	10 844	Discounted cash flows	Crops yield - tonnes per hectare	6	The higher the crops yield, the higher the fair value
			Crops price	USD 190 per ton	The higher the market price, the higher the fair value
			Discount rate	27,68%	The higher the discount rate, the lower the fair value
			Future production cost	USD 380 per ha	The higher the future production cost, the lower the fair value

Changes in key assumptions used to estimate biological assets fair value would have the following effect on the fair value of biological assets:

	Increase/decrease in assumption, %	Effect on fair value of biological assets, ths.USD
Crops price	10	2 038
	(10)	(2 038)
Crops yield	10	2 038
	(10)	(2 038)
Discount rate	1	(18)
	(1)	18
Future production cost	10	(943)
	(10)	943

24 Trade accounts receivable, net

	Note	31 December 2024	31 December 2023
Trade accounts receivable		1 940	4 061
Allowances for accounts receivable	26	(5)	(10)
		1 935	**4 051**

As at 31 December 2024 an amount of USD 1 904 thousand or 98% of the total amount of trade accounts receivable is due from the 10 most significant counterparties (as at 31 December 2023 – USD 4 003 thousand or 99%).

Distribution of trade accounts receivable on time frames is the following:

	Total	Neither past due nor impaired	Past due, not impaired		
			Within 90 days	From 90 to 360 days	More than 1 year
31 December 2024	1 935	1 935	-	-	-
31 December 2023	4 051	4 034	12	5	-

(in thousand USD, unless otherwise stated)

25 Prepayments and other current assets, net

	Note	31 December 2024	31 December 2023
Prepayments and other non-financial assets:			
VAT for reimbursement		3 739	9 612
Advances to suppliers		1 887	800
Allowances for advances to suppliers	26	(46)	(41)
		5 580	**10 371**
Other financial assets:			
Non-bank accommodations interest free		203	244
Allowances for non-bank accommodations interest free	26	(3)	(4)
Other accounts receivable		233	448
Allowances for other accounts receivable	26	(23)	(36)
		410	**652**
		5 990	**11 023**

As at 31 December 2024 an amount of USD 1 725 thousand or 91% of the total amount of advances to suppliers is due from the 10 most significant counterparties (as at 31 December 2023 – USD 632 thousand or 81%).

26 Changes in allowances made

	Note	31 December 2024	31 December 2023
Allowances for trade accounts receivable	24	(5)	(10)
Allowances for advances to suppliers	25	(46)	(41)
Allowances for non-bank accommodations interest free	25	(3)	(4)
Allowances for other accounts receivable	25	(23)	(36)
Allowances for prepayments for property, plant and equipment		(32)	(119)
		(109)	**(210)**

The movements of the allowances were as follows:

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
As at the beginning of the period		**(210)**	**(179)**
Accrual	12	(59)	(91)
Use of allowances		143	52
Effect from translation into presentation currency		17	8
As at the end of the period		**(109)**	**(210)**

(in thousand USD, unless otherwise stated)

27 Cash and cash equivalents

	Currency	31 December 2024	31 December 2023
Cash in bank and hand	USD	21 263	6 075
Cash in bank and hand	UAH	23 210	9 890
Cash in bank and hand	EUR	118	178
Cash in bank and hand	PLN	39	55
		44 630	**16 198**

There were no restrictions on the use of cash and cash equivalents during the reporting periods.

28 Equity

Share capital

IMC S.A. has one class of ordinary shares. The number of authorized, issued and fully paid shares as at 31 December 2024 is 35 500 464 (as at 31 December 2023 – 35 500 464). All shares have equal voting rights. Par value of one share is USD 0,00175 (EUR 0,00125).

	31 December 2024		31 December 2023	
	%	Amount	%	Amount
AGROVALLEY LIMITED	76,14	48	76,14	48
Mr. Alex Lissitsa	5,55	3	5,55	3
Other shareholders (each one less than 5% of the share capital)	18,31	11	18,31	11
	100	**62**	**100**	**62**

A reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Number of authorized, issued and fully paid shares	For the year ended 31 December 2024	For the year ended 31 December 2023
As at the beginning of the period	**35 500 464**	**35 500 464**
Changes for the period	-	-
As at the end of the period	**35 500 464**	**35 500 464**

Share premium

In 2011 IMC S.A. completed initial public offering of own shares on Warsaw Stock Exchange. Issue of share capital of IMC S.A. brought to the increase of share capital equaling to USD 10 thousand (EUR 8 thousand) and share premium in amount of USD 24 387 thousand (EUR 17 823 thousand).

In 2017 Management Incentive Plan was realized. Issue of new shares of IMC S.A. brought to the increase of share capital equaling to USD 3 thousand (EUR 3 thousand) and share premium in amount of USD 5 125 thousand (EUR 4 294 thousand).

In 2022 Management Incentive Plan was realized. Issue of new shares of IMC S.A. brought to the increase of share capital equaling to USD 3 thousand (EUR 3 thousand) and share premium in amount of USD 7 913 thousand (EUR 7 837 thousand).

Revaluation reserve

The fair value of Group's property, plant and equipment has been measured as at 31 December 2023, 2020, 2017, 2015, 2010, 2009 by an independent appraiser. The related revaluation surplus was recognized in equity:

- as at 31 December 2009 USD 14 766 thousand (EUR 10 299 thousand) was initially recognized in equity;
- as at 31 December 2010 USD 4 326 thousand (EUR 3 258 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2015 USD 40 390 thousand (EUR 36 967 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2017 USD 22 659 thousand (EUR 18 987 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2020 USD 5 265 thousand (EUR 4 285 thousand) was additionally recognized as increase in revaluation reserve.
- as at 31 December 2023 USD 17 456 thousand (EUR 15 708 thousand) was additionally recognized as increase in revaluation reserve.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by an entity (in the amount that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) and when the asset is derecognized (in the full amount).

Effect of foreign currency translation

Effect of foreign currency translation comprises all foreign exchange differences arising from the translation of the financial statements into presentation currency.

Dividend policy

On 8 July 2016 the Board of Directors of IMC S.A. published its Dividend Policy: The Company intends to pay annual dividends starting from FY 2016 results provided that the Company succeeds to receive dividend payment waivers from its creditors.

On 27 September 2017 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 1 658 900 (EUR 0.05 per share).

On 14 September 2018 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 11 280 520 (EUR 0.34 per share).

On 29 August 2019 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 14 930 100 (EUR 0.45 per share).

On 28 August 2020 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 5 972 040 (EUR 0.18 per share).

On 03 June 2021 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 20 570 360 (EUR 0.62 per share).

On 30 November 2021 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 5 308 480 (EUR 0.16 per share).

Legal reserve

From the annual net profits of the Parent company, 5% have to be allocated to the legal reserve. This allocation shall cease to be required as soon and as long as such surplus reserve amounts to 10% of the capital. This reserve may not be distributed to the shareholders.

(in thousand USD, unless otherwise stated)

29 Long-term loans and borrowings

	Currency	31 December 2024	31 December 2023
Secured			
Long-term bank loans	USD	17 401	20 329
Current portion of long-term bank loans	USD	(5 747)	(19 427)
Total long-term loans and borrowings		**11 654**	**902**

Essential terms of credit contracts

Creditor	Year of maturity	Currency	Nominal interest rate	31 December 2024	
				Long-term liabilities	Including current portion
Ukrainian bank	2026	USD	3,70%	718	615
Ukrainian bank	2026	USD	2,40%	1 426	713
Ukrainian bank	2028	USD	4,80%	768	210
Ukrainian bank	2028	USD	5,70%	1 361	371
Non-resident bank	2028	USD	1,00%	2 685	800
Non-resident bank	2028	USD	4%+SOFR 3M	8 948	2 667
Ukrainian bank	2029	USD	6,15%	1 495	371
				17 401	**5 747**

Creditor	Year of maturity	Currency	Nominal interest rate	31 December 2023	
				Long-term liabilities	Including current portion
Ukrainian bank	2024	USD	4,90%	131	131
Ukrainian bank	2026	USD	4,98%	1 017	834
Ukrainian bank	2026	USD	3,70%	1 333	615
Ukrainian bank	2026	USD	2,40%	2 138	2 138
Ukrainian bank	2028	USD	4,80%	978	978
Ukrainian bank	2028	USD	5,70%	1 731	1 731
Non-resident bank	2028	USD	1,00%	3 000	3 000
Non-resident bank	2028	USD	4%+SOFR 3M	10 000	10 000
				20 329	**19 427**

Long-term loans outstanding were repayable as follows:

	31 December 2024	31 December 2023
Within one year	5 747	19 427
In the second to fifth year inclusive	11 654	902
	17 401	**20 329**

(in thousand USD, unless otherwise stated)

30 Short-term loans and borrowings

	Currency	31 December 2024	31 December 2023
Secured			
Short-term bank loans	USD	3 511	25 398
Short-term bank loans	UAH	2 379	-
		5 890	**25 398**

Essential terms of credit contracts

Creditor	Currency	Nominal interest rate	31 December 2024
Ukrainian bank	USD	5,00%	3 511
Ukrainian bank	UAH	3,00%	2 379
			5 890

Creditor	Currency	Nominal interest rate	31 December 2023
Ukrainian bank	USD	7,00%	7 898
Ukrainian bank	USD	6,50%	6 500
Ukrainian bank	USD	6,50%	5 000
Ukrainian bank	USD	6,00%	5 000
Ukrainian bank	USD	6,00%	1 000
			25 398

As at 31 December 2024 loans and borrowings are secured with property, plant and equipment in the amount USD 33 638 thousand (Note 18).

The Group has committed to comply with loans covenants.

As at 31 December 2024 the Group was in compliance with all loans covenants.

As at 31 December 2023 a covenant on long-term loans in the total amount USD 4 847 thousand from Ukrainian bank was violated by the Group. The Group received from the bank waiver of rights to require compliance with the breached covenant as at 31 December 2023, but after the end of reporting period. The long-term part of loans was reclassified as current portion of long-term loans in the full amount USD 3 555 thousand.

As at 31 December 2023 a covenant on long-term loans in the total amount USD 13 000 thousand from Non-resident bank was violated by the Group. The Group received from the bank waiver of rights to require compliance with the breached covenant as at 31 December 2023, but after the end of reporting period. The long-term part of loans was reclassified as current portion of long-term loans in the full amount USD 12 133 thousand.

(in thousand USD, unless otherwise stated)

31 Trade accounts payable

	31 December 2024	31 December 2023
Trade accounts payable	1 590	2 312

As at 31 December 2024 an amount of USD 1 341 thousand or 84% of the total amount of trade accounts payable is due to the 10 most significant counterparties (as at 31 December 2023 – USD 1 794 thousand or 78%).

The table below summarizes the maturity profile of Group's liabilities on contractual payments on trade accounts payable:

	On demand	Within 30 days	From 30 to 90 days	From 90 to 180 days	From 180 to 360 days	From 1 to 5 years	Total
31 December 2024	-	1 280	249	60	1	-	**1 590**
31 December 2023	-	1 885	286	43	98	-	**2 312**

32 Other current liabilities and accrued expenses

	31 December 2024	31 December 2023
Other liabilities:		
Advances from clients	3 750	3 759
Other accounts payable:		
Wages, salaries and related charges payable	1 018	1 195
Accruals for unused vacations	1 062	1 355
Interest payable on bank loans	27	90
Accounts payable for non-current tangible assets	1 371	92
Accruals for audit services	141	122
Taxes payable	264	184
Other accounts payable	1 560	1 121
	5 443	**4 159**
Total other current liabilities and accrued expenses	**9 193**	**7 918**

As at 31 December 2024 an amount of USD 3 746 thousand or 99% of the total amount of advances from clients is due from the 10 most significant counterparties (as at 31 December 2023 – USD 3 755 thousand or 99%).

(in thousand USD, unless otherwise stated)

Distribution of other current liabilities and accrued expenses on time frames is the following:

	On demand	Within 30 days	From 30 to 90 days	From 90 to 180 days	From 180 to 360 days	From 1 to 5 years	Over 5 years	Total
31 December 2024	1 062	6 450	18	167	53	422	1 021	9 193
31 December 2023	1 355	5 345	40	161	79	159	779	7 918

33 Related party disclosures

According to existing criteria of determination of related parties, the related parties of the Group are divided into the following categories:

a) Entities - related parties under common control with the Companies of the Group;
b) Key management personnel.

The Group performs transactions with related parties in the ordinary course of business. During the reporting period the Group did not perform any related parties' transactions, except with key management personnel.

Remuneration of key management personnel was as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Wages and salaries	782	731
Directors fees	635	553
Related charges	38	36
	1 455	**1 320**
The average number of employees, persons	6	6

34 Information on segments

A business segment is a separable component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generates revenues other than risks and income of those components that are peculiar to other business segments.

For the purpose of Management, the Group is divided into the following business segments on the basis of produced goods and rendered services, and consists of the following 3 operating segments:

- Crop farming - a segment, which deals with cultivation and sale of such basic agricultural crops as corn, sunflower and wheat;
- Elevators and warehouses - a segment which deals with storage and processing of agricultural produce.

(in thousand USD, unless otherwise stated)

Information on business segments for the year ended 31 December 2024 was as follows:

	Crop farming	Elevators and warehouses	Unallocated	Total
Revenue	211 594	4 628	-	**216 222**
Intra-group elimination	(434)	(4 500)	-	**(4 934)**
Revenue from external buyers	**211 160**	**128**	-	**211 288**
Gain from changes in fair value of biological assets and agricultural produce, net	75 777	-	-	**75 777**
Cost of sales	(177 210)	(760)		(177 970)
Gross income	**109 727**	**(632)**	**-**	**109 095**
Administrative expenses	-	-	(10 334)	**(10 334)**
Selling and distribution expenses	-	-	(31 435)	**(31 435)**
Other operating income	-	-	2 926	**2 926**
Other operating expenses	-	-	(2 417)	**(2 417)**
Write-offs of property, plant and equipment	-	-	(25)	**(25)**
Operating income of a segment	**109 727**	**(632)**	**(41 285)**	**67 810**
Financial expenses, net	-	-	(1 235)	**(1 235)**
Financial effect of lease of right-of-use assets	-	-	(6 747)	**(6 747)**
Foreign currency exchange (loss)/gain, net	-	-	(4 501)	**(4 501)**
Profit before tax	**109 727**	**(632)**	**(53 768)**	**55 327**
Income tax expenses, net	-	-	(789)	**(789)**
Net profit	**109 727**	**(632)**	**(54 557)**	**54 538**

	Crop farming	Elevators and warehouses	Unallocated	Total
Other segment information:				
Depreciation and amortisation	15 754	2 522	-	**18 276**
Additions to non-current assets:				
Property, plant and equipment	16 731	6 302	-	**23 033**
Right-of-use assets	23 539	-	-	**23 539**
Total assets as at 31 December 2024	289 095	33 221	-	**322 317**
Total liabilities as at 31 December 2024	115 601	2 026	23 291	**140 918**

Revenues from the 10 most significant counterparties for the year ended 31 December 2024 were as follows:

	Business segment	% of revenue
Non-residental buyer	Crop farming	27,7%
Non-residental buyer	Crop farming	27,0%
Ukrainian buyer	Crop farming	13,2%
Non-residental buyer	Crop farming	7,7%
Ukrainian buyer	Crop farming	7,0%
Non-residental buyer	Crop farming	5,7%
Non-residental buyer	Crop farming	3,3%
Ukrainian buyer	Crop farming	2,1%
Ukrainian buyer	Crop farming	1,8%
Non-residental buyer	Crop farming	1,7%
		97,1%

(in thousand USD, unless otherwise stated)

Information on business segments for the year ended 31 December 2023 was as follows:

	Crop farming	Elevators and warehouses	Unallocated	Total
Revenue	160 830	7 185	-	**168 015**
Intra-group elimination	(21 597)	(6 965)	-	**(28 562)**
Revenue from external buyers	**139 233**	**220**	-	**139 453**
Gain from changes in fair value of biological assets and agricultural produce, net	15 242	-	-	**15 242**
Cost of sales	(132 045)	(665)	-	**(132 710)**
Gross income	**22 430**	**(445)**	**-**	**21 985**
Administrative expenses	-	-	(9 666)	**(9 666)**
Selling and distribution expenses	-	-	(23 994)	**(23 994)**
Other operating income	-	-	1 444	**1 444**
Other operating expenses	-	-	(3 323)	**(3 323)**
Write-offs of property, plant and equipment	-	-	(41)	**(41)**
Reversal of impairment of property, plant and equipment	-	-	390	**390**
Impairment of property, plant and equipment	-	-	(184)	**(184)**
Operating income of a segment	**22 430**	**(445)**	**(35 374)**	**(13 389)**
Financial expenses, net	-	-	(1 110)	**(1 110)**
Effect of lease of right-of-use assets	-	-	(5 396)	**(5 396)**
Foreign currency exchange (loss)/gain, net	-	-	(1 185)	**(1 185)**
Profit before tax	**22 430**	**(445)**	**(43 065)**	**(21 080)**
Income tax expenses, net	-	-	50	**50**
Net profit	**22 430**	**(445)**	**(43 015)**	**(21 030)**
Other segment information:				
Depreciation and amortisation	15 167	1 603	-	**16 770**
Additions to non-current assets:				
Property, plant and equipment	15 666	1 137	-	**16 803**
Right-of-use assets	15 041	-	-	**15 041**
Total assets as at 31 December 2023	279 655	32 549	-	**312 204**
Total liabilities as at 31 December 2023	122 378	2 405	45 727	**170 510**

Revenues from the 10 most significant counterparties for the year ended 31 December 2023 were as follows:

	Business segment	% of revenue
Non-residental buyer	Crop farming	21,5%
Non-residental buyer	Crop farming	12,7%
Ukrainian buyer	Crop farming	10,4%
Non-residental buyer	Crop farming	9,8%
Non-residental buyer	Crop farming	5,5%
Non-residental buyer	Crop farming	4,1%
Ukrainian buyer	Crop farming	3,6%
Non-residental buyer	Crop farming	3,4%
Ukrainian buyer	Crop farming	2,9%
Non-residental buyer	Crop farming	2,6%
		76,6%

(in thousand USD, unless otherwise stated)

35 Lease of land

The Group leases land for agricultural purposes from private individuals. Lease payments are calculated on the basis of monetary valuation of the land considering the inflation factor.

Areas of operating leased land were as follows:

	31 December 2024	31 December 2023
	Hectare	Hectare
Location of land		
Poltava region		
Land under processing	17 852	19 824
Land for grazing, construction, other	140	140
Chernihiv region		
Land under processing	75 715	76 829
Land for grazing, construction, other	130	130
Sumy region		
Land under processing	22 613	23 371
Land for grazing, construction, other	7	7
	116 457	**120 301**

According to the Group's strategy, during Y2024 areas of fallow lands were decreased by unrenewing of land lease agreements.

36 Financial instruments

Financial instruments as at 31 December 2024 were represented by the following categories:

Financial instrument	Category	Measurement
Financial assets		
Accounts receivable	Financial assets at amortised cost	Amortised cost
Other financial assets	Financial assets at amortised cost	Amortised cost
Cash and cash equivalents	Financial assets at amortised cost	Amortised cost
Financial liabilities		
Loans and borrowings	Financial liabilities at amortised cost	Amortised cost
Lease liabilities as to right-of-use assets	Financial liabilities at amortised cost	Amortised cost
Accounts payable	Financial liabilities at amortised cost	Amortised cost
Other financial liabilities	Financial liabilities at amortised cost	Amortised cost

The fair values of the Group's financial assets and financial liabilities listed hereinbefore reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date. The fair values are based on inputs other than quoted prices that are observable for the asset or liability. These inputs include foreign currency exchange rates and interest rates. The financial assets and financial liabilities are primarily valued using standard calculations/models that use as their basis readily observable market parameters. Industry standard data providers are the primary source for forward and spot rate information for both interest rates and currency rates, with resulting valuations periodically validated through third party or counterparty quotes.

The Group's non-derivative financial instruments included cash and cash equivalents, trade accounts receivable, other financial assets, trade accounts payable, other accounts payable, loans and borrowings. As at 31 December 2024 and 2023, the carrying value of these financial instruments, excluding long-term debt, approximates fair value because of the short-term maturities of these instruments. Loans and borrowings have fixed interest rates but they are corresponded to the market rate level.

37 Management of financial risks

One of the principal responsibilities of the Financial Department of the Group is to manage the financial risks arising from the Group's underlying operations. On an annual basis, the Financial Department approves a strategic plan that takes into account the opportunities and major risks of our business and mitigation factors to reduce these risks. The Financial Department also reviews risk management policies and procedures on an annual basis and sets upper limits on the transactional exposure to be managed and the time periods over which exposures may be managed. The objective of the policy is to reduce volatility in cash flow and earnings. Risks managed include:

Type of risk	Affected by	Risk management policies
Credit risk	Ability of counterparties to financial instrument to fulfill their contractual obligations	Credit approval and monitoring practices; counterparties policies
Liquidity risk	Balance of cash flow	Preparation of detailed forecasts of cash flow
Market risk	- Market prices on products sold, materials and services for production - Changes in interest rates - Fluctuation of foreign currency exchange rates	- Long-term cooperation with reliable suppliers - Maintaining a combination of fixed and floating interest rates - Ensuring a sufficient level of USD revenues

Depending on the type of risks faced by the Group, it is possible to use a single or several methods of minimizing or levelling their negative impact on Group.

The use of the following risk management methods is possible at the Group's companies:

1) risk pooling is a method aimed at reducing the risk by transferring accidental losses into the relatively small fixed expenses (this method is a basis for insurance);

2) limitation is a method involving the development of detailed strategic documentation, which sets the boundary level of risk in each area of the company's activities, as well as clear allocation of functions and responsibilities of personnel;

3) diversification is a method of risk control through the selection of assets, profit on which slightly correlates, if possible;

4) hedging is a balancing transaction, minimizing the negative impact of risk (e.g., selection of assets and liabilities by timing, by currency).

Credit risk

Credit risk is a risk of financial loss to the Group, which results from failure of a buyer or a contractor under the financial instrument to fulfill its contractual obligations. The risk is primarily related to the Group's accounts receivable, cash and cash equivalent.

(in thousand USD, unless otherwise stated)

Book value of financial assets reflects maximal extent that is subject to credit risk of the Group. Maximal level of credit risk is the following:

	31 December 2024	31 December 2023
Trade accounts receivable, net	1 935	4 051
Other financial assets:		
Non-bank accomodations interest free	199	241
Other accounts receivable, net	210	412
Cash and cash equivalents	44 630	16 198
	46 974	**20 902**

Fitch credit ratings of the banks with which the Group had the accounts opened as of 31 December 2024 and 31 December 2023 were as follows:

Fitch credit ratings of the banks	31 December 2024	31 December 2023
International banks with A rating	814	279
International banks with B rating	11 247	1 355
Subsidiaries of international banks with A rating	9 616	5 320
Ukrainian banks with C rating	22 952	9 244
	44 630	**16 198**

The Group manages credit risk through rigorous credit approval and monitoring practices. Financial and Economic Department has developed the credit policy. In accordance with it, all contractors are subjected to careful analysis on ability to pay before the Group offers its standard terms of payment and delivery. If the Group sells goods to a contractor it has never dealt before, transactions are performed on terms of prepayment. Deferred payment is offered only to contractors with work experience with the Group more than 1 year without delays in payment terms established in sale contracts.

Group's management believes that companies comprising the Group are free in their choice of the customers, have close contacts with the leading global and Ukrainian traders, and may switch without risk to other customer offering better conditions of collaboration.

The Financial Directorate of the Group constantly carries out monitoring over payment terms deadlines according to goods selling contracts. In case of delay in payment, the personnel of the commercial department deals up with the customer and the decision whether to apply penalties or slightly extend the terms (within 90 days) is taken.

The Group forms estimated provision for trade and other accounts receivable. It corresponds with estimation of amount of already suffered credit losses. The main element of the provision is an element of certain loss, determined for assets considering already suffered but not fixed losses. Estimated amount of losses is determined on the basis of statistical data for previous periods for similar financial assets.

Distribution of trade accounts receivable on time-frames is the following:

			Past due, not impaired		
	Total	Neither past due nor impaired	Within 90 days	From 90 to 360 days	More than 1 year
31 December 2024	1 935	1 935	-	-	-
31 December 2023	4 051	4 034	12	5	-

On the basis of analysis of payments for the current period Financial Director of the Group considers that there is no need to form provision for overdue, but not impaired trade accounts receivable.

(in thousand USD, unless otherwise stated)

Liquidity risk

Risk of liquidity - is the risk of inability to meet financial obligations of the Group in due time.

The way the Group manages the liquidity lies in providing the Group with constant availability of liquid facilities, enough to meet the obligation in due time, avoiding unforeseen losses and not to expose the reputation of the Group to risk.

There is system of management accounting and budgeting, which allows to plan and control covering all the expenses from operating activity and related with its financial expenses by means of profit.

The table below summarizes the maturity profile of Group's financial liabilities based on contractual payments as at 31 December 2024:

	On demand	Within 30 days	From 30 to 90 days	From 90 to 180 days	From 180 to 360 days	From 1 to 5 years	Over 5 years	Total
Bank loans and interest payable on bank loans	-	407	4 006	5 244	2 007	11 654	-	**23 318**
Lease liabilities as to right-of-use assets	-	1 224	2 431	3 281	6 488	43 622	47 784	**104 831**
Trade accounts payable	-	1 280	249	60	1	-	-	**1 590**
Other current liabilities and accrued expenses	1 062	6 450	18	167	53	422	1 021	**9 193**
	1 062	**9 362**	**6 704**	**8 752**	**8 549**	**55 698**	**48 805**	**138 932**

The table below summarizes the maturity profile of Group's financial liabilities based on contractual payments as at 31 December 2023:

	On demand	Within 30 days	From 30 to 90 days	From 90 to 180 days	From 180 to 360 days	From 1 to 5 years	Over 5 years	Total
Bank loans and interest payable on bank loans	15 688	612	979	13 898	13 738	902	-	**45 817**
Lease liabilities as to right-of-use assets	-	1 164	2 284	3 388	6 095	42 270	56 918	**112 119**
Trade accounts payable	-	1 885	286	43	98	-	-	**2 312**
Other current liabilities and accrued expenses	1 355	5 345	40	161	79	159	779	**7 918**
	1 355	**9 006**	**3 589**	**17 490**	**20 010**	**59 019**	**57 697**	**168 167**

The Group's target is to maintain its current ratio, defined as the proportion of current assets to current liabilities, at the level of not less than 1.2. The current ratio was as follows:

	31 December 2024	31 December 2023
Current assets	141 401	132 285
Current liabilities	35 844	67 986
Current ratio	**3,9**	**1,9**

(in thousand USD, unless otherwise stated)

Market risk

Market risk arises from fluctuations in market factors, including exchange rates, interest rates and commodity prices. Movements in these factors may affect the Group's income and expenses, or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, whilst optimizing returns.

Market risk is comprised of:

- Commodity price risk

  Risk of changes in market prices of products for sale

  The Group Sales Department makes continuous monitoring of market prices of products sold in order to manage exposure to changes in market prices for the products. According to the results of this analysis and subsequent prediction of prices for products, management pricing policy depending on the dynamics of market prices is formed.

- Risk of changes in prices of materials and services

  The Group is exposed to changes in prices of materials and services that are used in the process of production. The Group manages these risks by working with reliable suppliers, business relationships with whom had developed over a long time, and the search for new, more affordable supply of resources.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's companies manage their foreign currency risk by comparing the volumes of export revenues by currencies and loan portfolio by currencies. The Group avoids borrowing and production sales for export in any currency except for USD. The comparison is carried out as a part of the annual planning and budgeting.

When the amount of the expected export revenue is below the level of USD borrowing for the financial year, the decrease in foreign currency borrowings by repayment of such loans or conversion of foreign currency loans into national currency is performed.

Group avoided realization of risk transactions that are subject to foreign currency risk.

The table below summarizes the Group's exposure to foreign currency risk as at 31 December 2024:

	Note	UAH	USD	EUR	PLN	Total
Trade accounts receivable, net	24	654	1 281	-	-	**1 935**
Cash and cash equivalents	27	23 210	21 263	118	39	**44 630**
Loans and borrowings	29, 30	2 379	20 912	-	-	**23 291**
Lease liabilities as to right-of-use assets	20	104 191	304	335	-	**104 830**
Other current liabilities and accrued expenses	32	7 075	1 998	121	-	**9 193**
		137 508	**45 758**	**574**	**39**	**183 879**

(in thousand USD, unless otherwise stated)

The Group's exposure to foreign currency risk, based on book value, as at 31 December 2024 was as follows:

	31 December 2024	Increase/decrease in USD exchange rate, %	Effect on profit before tax
Trade accounts receivable, net	1 281	10	128
		(10)	(128)
Cash and cash equivalents	9 359	10	936
		(10)	(936)
Loans and borrowings	20 912	10	(2 091)
		(10)	2 091
Lease liabilities as to right-of-use assets	304	10	(30)
		(10)	30
Other current liabilities and accrued expenses	27	10	(3)
		(10)	3
General effect	-	**10**	**(1 060)**
		(10)	**1 060**

	31 December 2024	Increase/decrease in EUR exchange rate, %	Effect on profit before tax
Lease liabilities as to right-of-use assets	335	10	(34)
		(10)	34

The table below summarizes the Group's exposure to foreign currency risk as at 31 December 2023:

	Note	UAH	USD	EUR	PLN	Total
Trade accounts receivable, net	24	1 223	2 828	-	-	**4 051**
Cash and cash equivalents	27	9 890	6 075	178	55	**16 198**
Loans and borrowings	29, 30	-	45 727	-	-	**45 727**
Lease liabilities as to right-of-use assets	20	110 362	27	1 730	-	**112 119**
Other current liabilities and accrued expenses	32	3 969	3 847	102	-	**7 918**
		125 445	**58 504**	**2 010**	**55**	**186 013**

The Group's exposure to foreign currency risk, based on book value, as at 31 December 2023 was as follows:

	31 December 2023	Increase/decrease in USD exchange rate, %	Effect on profit before tax
Trade accounts receivable, net	2 828	10	283
		(10)	(283)
Cash and cash equivalents	6 059	10	606
		(10)	(606)
Loans and borrowings	45 727	10	(4 573)
		(10)	4 573
Lease liabilities as to right-of-use assets	27	10	(3)
		(10)	3
Other current liabilities and accrued expenses	90	10	(9)
		(10)	9
General effect	-	**10**	**(3 696)**
		(10)	**3 696**

(in thousand USD, unless otherwise stated)

	31 December 2023	Increase/decrease in EUR exchange rate, %	Effect on profit before tax
Cash and cash equivalents	178	10 (10)	18 (18)
Lease liabilities as to right-of-use assets	1 730	10 (10)	(173) 173
Other current liabilities and accrued expenses	102	10 (10)	(10) 10
General effect	**-**	**10** **(10)**	**(155)** **155**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Change in interest rates influences the involved loans and borrowings and finance lease transactions. Management of the Group doesn't have formalized policy respecting proportion of interest risk's allocation between the loans with fixed interest rate and floating interest rate. However, when attracting new loans and borrowings, management solves the problem respecting which interest rate, fixed or floating, will be more profitable for the Group during the expected period till the maturity date, based on own professional judgments.

The Group's interest-bearing financial instruments were formed as follows:

	31 December 2024	31 December 2023
Loans and borrowings		
Fixed rate instruments	14 343	35 727
Variable rate instruments	8 948	10 000
	23 291	**45 727**

Agro-industrial risks

Agro-industrial business is subject to risks of outbreaks of various diseases of cattle or crops. These diseases could result in losses. Disease control measures were adopted by the Group to minimise and manage this risk. The Group's management is satisfied that its current existing risk management and quality control processes are effective and sufficient to prevent any diseases and related losses.

Customer concentration risk

Focusing on large wholesale world traders, the Group has a small pool of customers and could be influenced by customer concentration risk. But the work of the Group with a small number of customers is not due to the lack of other customers or the impossibility of entering new markets, but to the selected sales strategy - the best conditions for selling are ensured by relations with large traders. To control the risk before each sale, a tender is held among buyers to determine the best conditions of the transaction. Making a choice in the direction of the buyer, management understand the level of supply and demand for the products on the market with other participants and Group's capabilities in the event of a change of buyer.

(in thousand USD, unless otherwise stated)

38 Capital management

The Group's objectives in the process of capital management are maintaining the Group's ability to follow the going concern principle to provide benefits to interested parties, and also maintaining the optimal structure of involved and own funds.

The management of the Group regularly analyzes the structure of its capital. On basis of results of this analysis the Group takes measures, which are aimed at maintenance of total structure of the capital balance.

The main financial liabilities of the Group are long-term loans and borrowings, current portion of long-term borrowings, short-term loans and borrowings, trade accounts payable, other current liabilities and accrued expenses. The main purpose of these financial instruments is to raise funds for the activities of the Group.

The Group's gearing ratio was as follows:

	Note	31 December 2024	31 December 2023
Long-term loans and borrowings	29	(11 654)	(902)
Long-term lease liabilities as to right-of-use assets	20	(91 406)	(99 188)
Current portion of long-term borrowings	29	(5 747)	(19 427)
Current portion of long-term lease liabilities as to right-of-use assets	20	(13 424)	(12 931)
Short-term loans and borrowings	30	(5 890)	(25 398)
Trade accounts payable	31	(1 590)	(2 312)
Other current liabilities and accrued expenses	32	(9 193)	(7 918)
Cash and cash equivalents	27	44 630	16 198
Net debt		**(94 274)**	**(151 878)**
Total equity		(181 399)	(141 694)
Total net debt and equity		(275 673)	(293 572)
Gearing ratio		**34%**	**52%**

The capital structure of the Group is based on management's judgments of the appropriate balancing of all key elements of its financial strategy in order to meet its strategic and day-to-day needs. The Management of the Group considers the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group will take appropriate steps in order to maintain, or if necessary adjust, the capital structure.

39 Earnings per Share

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
FROM CONTINUED OPERATIONS		
Net profit for the period attributable to owners of the parent company	54 893	(20 820)
Weighted average number of shares outstanding	35 500 464	35 500 464
Basic profit per ordinary share (in USD)	1,55	(0,59)

Basic earnings per share from continuing operations are computed by dividing net income from continuing operations available to ordinary shareholders by the weighted-average number of ordinary shares outstanding, excluding any dilutive effects of stock options. The Group has neither potentially dilutive ordinary shares nor other dilutive instruments; therefore, the diluted earnings per share equal basic earnings per share.

40 Subsequent events

Conducting its normal operating activity, the Group considers important to highlight the following:

Loans and borrowings are received in the amount of USD 2 395 thousand.

Loans and borrowings and interests are repaid in the amount of USD 4 773 thousand.

VAT for reimbursement is received in the amount of USD 6 584 thousand.

The deal on sale of assets classified as held for sale was completed.

There were no other material events after the end of the reporting date, which have a bearing on the understanding of the consolidated financial statements.