



URALSKIY SOYUZ

AUDIT

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The main registration number of the record (ORNZ) in the state register of auditors and auditing organizations is 12006017820.

Deputy General Director is Aleksandr Sergeevich Mironov, Auditor Qualification Certificate No.01-000578, issued on March 19, 2012 for an unlimited time. ORNZ – 21706017287 in SRO AAS.

# Translation of Audit report

Audit Uralskiy Soyuz JSC

on the consolidated financial statements of

**Joint Stock Company**  
**“United Grain Company”**  
**and its subsidiaries**  
for the period from 01.01.2024 to 31.12.2024

№ 185 dated March 28, 2025

Moscow

# **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of  
Joint Stock Company "United Grain Company"**

## **Opinion**

We have audited the consolidated financial statements of Joint Stock Company "United Grain Company" 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, consolidated statement of changes in equity and consolidated statement of cash flows for 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for 2024 in accordance with International Financial Reporting Standards (IFRSs).

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



**Key audit matter****How our audit addressed the matter****Recognition of revenue**

Given the volume of the Group's operations and different types of its activities, revenue recognition is a complicated process. It was a key audit matter because revenue recognition requires management to make judgments on the basis of interpreting contractual terms, market conditions of goods delivery and nature of services.

The amount of accrued revenue is disclosed in Note 22 to the consolidated financial statements.

We examined the internal control over the recognition of revenue under contracts with customers, examined the terms of concluded contracts for the sale of grain, transshipment services and other activities of the Group. We also examined the assumptions applied by management to make conclusions in respect of determining performance obligations under contracts with customers, timing of the satisfaction of performance obligations, approaches to accounting for and recognition of revenue and expenses in the statement of profit or loss and other comprehensive income.

In the course of our audit procedures, we, among other things, analyzed fluctuations in selling and purchase prices on a monthly basis and as compared to official statistical data. We examined the results of reconciliations with significant customers, selectively compared revenue recognized under contracts with customers with primary documents' data, used special analyzing tools to review revenue allocation by month, compared it with similar data for the previous year and assessed the effect of three-way correlation among revenue, accounts receivable and cash turnover.

We analyzed the revenue recognition disclosures in the consolidated financial statements.

**Grain availability at elevators**

The Group has significant closing inventory balances. In accordance with the requirements of the Russian legislation the Group must perform annual stock-taking to confirm that assets recorded in the balance sheet actually exist.

As the inventories are significant and it is necessary to verify that assets recorded in the Group's balance sheet actually exist, this was one of the key audit matters.

The inventory balances are disclosed in Note 12 to the financial statements.

We examined the internal control over stock-taking procedures for actual existence of grain kept both at the Group's elevators and in safe custody of third parties. We observed the Group's stock-taking of grain kept at its own elevators and in safe custody of third parties.

We examined the documentation prepared as a result of the Group's stock-taking, conditions of inventory storage, observed the inventory counting and counted a sample of stock items. We compared the results of stock-taking recorded in the respective documents with the accounting records.

**Responsibilities of management and persons responsible for the corporate governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Persons responsible for the corporate governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ 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 made by management and related disclosures;
- ▶ conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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 audit of the Group. We remain solely responsible for our audit opinion.

We communicate with the persons responsible for the corporate 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.



From the matters communicated with the persons responsible for the corporate 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 auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing would reasonably be expected to outweigh the public interest benefits of such communication.

**A.S. Mironov**  
**Deputy General Director of**  
**Audit Uralskiy Soyuz JSC,**  
**acting on behalf of the auditing organization under**  
**the Power of Attorney dated February 20, 2025**  
**(main registration number 21706017287)**



**A.S. Mironov**  
**In charge of the audit resulting**  
**in this independent auditor's report (main registration number 21706017287)**

Auditor:  
Audit Uralskiy Soyuz JSC  
109004, Moscow, Bolshoy Fakiyni lane, 3, of. 145  
main registration number 12006017820

**March 28, 2025**

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<b>Contents</b>	<b>Page</b>
Consolidated statement of financial position	7
Consolidated statement of comprehensive income	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11

**JSC "United Grain Company"**
**Consolidated statement of financial position as at 31 December 2024**

<i>In thousands of Russian rubles</i>	<b>Note</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	15,866,075	15,392,710
Intangible assets		145,516	-
Advances paid for property, plant and equipment	9	1,306,878	2,904
Right-of-use assets	10	101,657	82,809
Long-term loans issued		-	53,028
Investments in associates	11	628,089	543,987
Deferred tax assets	30	1,785,965	1,481,900
Long-term accounts receivable		18,088	-
Other non-current assets		130,900	36,416
<b>Total non-current assets</b>		<b>19,983,168</b>	<b>17,593,754</b>
<b>Current assets</b>			
Inventories	12	2,316,023	4,166,739
Trade and other receivables	13	6,938,923	28,753,413
Prepayments	14	1,656,549	3,954,497
Current income tax prepayments		950,569	379,959
Short-term investments	15	112,602	283,201
Cash and cash equivalents	16	19,677,630	15,791,904
Other current assets		10,648	14,634
<b>Total current assets</b>		<b>31,662,944</b>	<b>53,344,347</b>
<b>TOTAL ASSETS</b>		<b>51,646,112</b>	<b>70,938,101</b>
<b>EQUITY</b>			
Share capital	17	7,029,879	7,029,879
Share premium	17	4,464,394	4,464,394
Retained earnings		16,862,312	16,135,401
<b>Equity attributable to the Company's owners</b>		<b>28,356,585</b>	<b>27,629,674</b>
Non-controlling interest	34	7,548,981	6,463,043
<b>TOTAL EQUITY</b>		<b>35,905,566</b>	<b>34,092,717</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	30	510,906	202,741
Long-term loans and borrowings	18	993,300	53,028
Long-term lease liabilities	10	74,519	54,448
Post-employment defined benefit obligations		38,832	47,807
Long-term accounts payable		-	11,183
<b>Total non-current liabilities</b>		<b>1,617,557</b>	<b>369,207</b>
<b>Current liabilities</b>			
Short-term loans and borrowings	18	5,731,794	15,521,516
Short-term lease liabilities	10	28,581	18,468
Trade and other payables	19	1,526,926	10,534,876
Finance liabilities under reverse factoring	20	6,130,247	9,492,582
Current income tax liabilities		244,948	39,501
Other taxes payable	21	256,619	320,644
Provisions for liabilities and charges	32	203,874	548,590
<b>Total current liabilities</b>		<b>14,122,989</b>	<b>36,476,177</b>
<b>TOTAL LIABILITIES</b>		<b>15,740,546</b>	<b>36,845,384</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>51,646,112</b>	<b>70,938,101</b>

Approved for issue and signed on 28 March 2025.

Sergeev D.G.  
General Director

Kafizov R.T.  
Director of Economics

**JSC “United Grain Company”**
**Consolidated statement of comprehensive income for the year ended 31 December 2024**

<i>In thousands of Russian rubles</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Revenue	22	90,683,190	100,431,510
Cost of sales (less trading)	23	(5,543,398)	(3,983,045)
Cost of trading	24	(68,246,853)	(77,918,307)
<b>Gross profit</b>		<b>16,892,939</b>	<b>18,530,158</b>
Distribution costs	25	(334,699)	(284,631)
Administrative expenses	26	(2,229,162)	(2,102,593)
Other operating expenses	27	(5,108,372)	(5,209,677)
Other operating income	28	3,463,534	4,706,042
<b>Operating profit</b>		<b>12,684,240</b>	<b>15,639,299</b>
Finance income	29	3,024,104	1,764,970
Finance expense	29	(4 799 056)	(3,485,335)
Share of results of associates and impairment of investments in associates	11	86,710	42,669
<b>Profit before tax</b>		<b>10,995,998</b>	<b>13,961,603</b>
Income tax expense	30	(2,021,844)	(3,022,839)
<b>Profit for the year</b>		<b>8,974,154</b>	<b>10,938,764</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment defined benefit obligations		11,588	11,196
Income tax on remeasurement of post-employment defined benefit obligations	30	(2,897)	(2,239)
<b>Other comprehensive income for the year</b>		<b>8,691</b>	<b>8,957</b>
<b>Total comprehensive income for the year</b>		<b>8,982,845</b>	<b>10,947,721</b>
<b>Profit attributable to:</b>			
- Owners of the Company	31	6,110,622	8,440,818
- Non-controlling interest	34	2,863,532	2,497,946
<b>Profit for the year</b>		<b>8,974,154</b>	<b>10,938,764</b>
<b>Total comprehensive income attributable to:</b>			
- Owners of the Company		6,115,054	8,445,386
- Non-controlling interest		2,867,791	2,502,335
<b>Total comprehensive income for the year</b>		<b>8,982,845</b>	<b>10,947,721</b>
Earnings per ordinary share for profit from operating activities attributable to the owners of the Company (in RUB per share)	31	869.24	1,200.71
	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>EBITDA (non-IFRS measure)</b>			
Operating profit		12,684,240	15,639,299
<i>Adjustments to operating profit</i>			
Depreciation and amortization	7	856,555	552,585
Share of results of associates and impairment of investments in associates	7, 11	86,710	42,669
<b>EBITDA</b>		<b>13,627,505</b>	<b>16,234,553</b>



**JSC "United Grain Company"**
**Consolidated statement of changes in equity for the year ended 31 December 2024**

<i>In thousands of Russian rubles</i>	Attributable to shareholders of the Company				Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings	Total		
<b>Balance at 31 December 2022</b>	<b>7,029,879</b>	<b>4,464,394</b>	<b>9,114,015</b>	<b>20,608,288</b>	<b>5,437,436</b>	<b>26,045,724</b>
Profit for the year	-	-	8,440,818	8,440,818	2,497,946	<b>10,938,764</b>
Other comprehensive loss for the year	-	-	4,568	4,568	4,389	<b>8,957</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>8,445,386</b>	<b>8,445,386</b>	<b>2,502,335</b>	<b>10,947,721</b>
Dividends declared to non-controlling interests	-	-	-	-	(1,482,478)	<b>(1,482,478)</b>
Restoration of unclaimed dividends	-	-	-	-	5,750	<b>5,750</b>
Dividends declared to owners of the Company (Note 17)	-	-	(1,424,000)	(1,424,000)	-	<b>(1,424,000)</b>
<b>Balance at 31 December 2023</b>	<b>7,029,879</b>	<b>4,464,394</b>	<b>16,135,401</b>	<b>27,629,674</b>	<b>6,463,043</b>	<b>34,092,717</b>
Profit for the year	-	-	6,110,622	6,110,622	2,863,532	<b>8,974,154</b>
Other comprehensive income for the year	-	-	4,432	4,432	4,259	<b>8,691</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>6,115,054</b>	<b>6,115,054</b>	<b>2,867,791</b>	<b>8,982,845</b>
Dividends declared to non-controlling interests	-	-	-	-	(1,805,712)	<b>(1,805,712)</b>
Restoration of unclaimed dividends	-	-	25,201	25,201	23,859	<b>49,060</b>
Dividends declared to owners of the Company (Note 17)	-	-	(5,413,344)	(5,413,344)	-	<b>(5,413,344)</b>
<b>Balance at 31 December 2024</b>	<b>7,029,879</b>	<b>4,464,394</b>	<b>16,862,312</b>	<b>28,356,585</b>	<b>7,548,981</b>	<b>35,905,566</b>

**JSC "United Grain Company"****Consolidated statement of cash flows for the year ended 31 December 2024**

<i>In thousands of Russian rubles</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Profit before tax		10,995,998	13,961,603
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	796,304	532,391
Depreciation of right-of-use assets	10	25,979	20,194
Amortization of intangible assets		34,272	-
Share of results of associates and impairment of investments in associates	11	(86,710)	(42,669)
Change in allowance for expected credit losses	27	295,811	318,934
Change in allowance for impairment of prepayments		56,932	108,480
Loss/(gain) on disposal of property, plant and equipment	27,28	(13,538)	3,007
Finance income	29	(3,024,104)	(1,764,970)
Finance expense	29	4,799,056	3,485,335
Legal claims and other provisions	28	2,921,514	718,923
Net gain from exchange differences	27	(2,153,684)	(3,222,120)
Effect of disposal of subsidiaries	27	78,615	2,563
Accrual of provision for unused vacations		125,353	192,311
Loss on disposal of associate	27	-	(75,746)
Net loss from trading in derivative financial instruments	28	837,505	2,919,955
Selling foreign currency	28	102,375	322,451
<b>Operating cash flows before changes in working capital</b>		<b>15,791,678</b>	<b>17,480,643</b>
Change in trade and other receivables		21,814,490	(2,888,872)
Change in inventories		1,850,716	2,635,391
Change in trade and other payables		(8,578,567)	500,439
Change in other current assets and liabilities		(340,730)	254,993
<b>Net cash from operating activities before tax</b>		<b>30,537,587</b>	<b>17,982,594</b>
Income tax paid		(3,284,285)	(4,674,228)
<b>Net cash from operating activities</b>		<b>27,253,302</b>	<b>13,308,366</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment		(2,979,280)	(1,324,084)
Acquisition of an associate		-	(16,667)
Dividends received from associates	11	2,608	1,888
Sale of interest in associate	11	-	31,106
Amounts withdrawn from deposit accounts		57,000	97,300
Amounts placed on deposit accounts with banks		(53,000)	(54,500)
Issuance of loans		(5,046,500)	(21,961,898)
Return of loans issued		5,315,371	26,678,986
Interest received		2,600,536	1,578,912
<b>Net cash from/(used in) investing activities</b>		<b>(103,265)</b>	<b>5,031,043</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	18	45,310,402	56,472,008
Repayment of loans and borrowings	18	(54,160,220)	(64,566,872)
Interest paid	18	(3,109,437)	(2,280,611)
Receipt from reverse factoring	20	24,116,924	28,763,515
Financing under reverse factoring	20	(27,479,259)	(29,598,826)
Interest paid under factoring	20	(2,134,765)	(1,433,027)
Payment of principal portion of lease liabilities	10	(16,590)	(26,037)
Payments of interest on lease liabilities	10	(11,226)	(9,380)
Dividends paid	17	(7,883,769)	(1,894,443)
<b>Net cash used in financing activities</b>		<b>(25,367,940)</b>	<b>(14,573,673)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,782,097</b>	<b>3,765,736</b>
Effect of exchange rate changes on cash and cash equivalents		2,103,629	3,488,707
Cash and cash equivalents at the beginning of the period	16	<b>15,791,904</b>	<b>8,537,461</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>19,677,630</b>	<b>15,791,904</b>

## 1 General information on the Group and its principal activities

**Description of the business.** These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2024 for JSC “United Grain Company” (hereafter, the “Company”) and its subsidiaries (hereafter, the “Group” or “UGC Group”).

The Company was registered by the Federal Agency for State Property Management (Rosimushchestvo) as an open joint stock company on 21 March 2007 under the name Agency for Regulation of Food Market. On 8 May 2009, the Company was renamed OJSC “United Grain Company” in accordance with Decree No. 290 of the Russian President dated 20 March 2009. On 5 November 2015, the Company was renamed Joint Stock Company “United Grain Company” (JSC “UGC”) in accordance with decision of annual general shareholders’ meeting.

The Government of the Russian Federation through Rosimushchestvo is the ultimate controlling party of the Group. As at 31 December 2024 and 31 December 2023, Rosimushchestvo owns 50% plus 1 share of the total issued shares in the Company.

Principal subsidiaries included into these consolidated financial statements are listed below.

Entity	Principal activity by segment	Group’s share in the share capital, %	
		31 December 2024	31 December 2023
PJSC “NKHP”	Port transshipment, trading, production and freight forwarding services	51%	51%
LLC “DVZT”	Port transshipment	100%	100%
LLC “Torgovyi Dom UGC”	Trading	100%	100%
LLC “UGC Center”	Trading	100%	100%
LLC “UGC Tambov”	Trading	100%	100%
LLC “UGC Trading”	Trading	100%	100%
JSC “Buturlinovskiy Melcombinat”	Flour production	51%	51%
JSC “Ardatovskoe HPP”	Grain storage	100% – 1 share	100% – 1 share
JSC “Atyashevskoe HPP”	Grain storage	100% – 1 share	100% – 1 share
JSC “Obrochinskoe HPP”	Grain storage	100% – 1 share	100% – 1 share
JSC “Reservhleb”	Grain storage	100%	100%
JSC “Orskiy Elevator”	Grain storage	99.58%	99.58%
JSC “Elevator”	Grain storage	-*	82.49%
JSC “Grachevskiy Elevator”	Grain storage	51%	51%
JSC “Portovyi Elevator”	Port transshipment	51%	51%
JSC “Surovikinskiy elevator”	Grain storage	51%	51%
JSC “Elevatorspetsmontazh”	Repair of machinery and equipment	100%	100%

\* The Group ceased recognition of JSC “Elevator” as a subsidiary on 31.12.2024.

**Principal activity.** Principal activities of the Group involve grain trading, port transshipment, transportation services, flour production, grain storage and acting as an agent in state interventions in the grain market (Note 38).

**Registered address and place of business.** The Company’s registered address and place of business is Russian Federation 107140, Moscow, Orlikov per., 3, bld.1.

**Presentation currency.** All amounts in these consolidated financial statements are presented in thousands of Russian rubles (“RUB”), unless otherwise stated.