

2022

IMG Enterprises Annual Report

We believe that through our sustainable connection to the environment, we can transform the world exponentially.

IMG
Enterprises



IMG Citrus

Health

Innovation

Growing

Family

Commitment

Cherrylake

Sustainable

Beauty

Vision

Life

Community

Table Of Contents

2022 ANNUAL REPORT

01	IMG ENTERPRISES, INC.	11
	Our Core Values	12
	Vision Statement	13
	Organizational Transformation	14
	The Team, by the Numbers	20
	A Focus on Fleet Safety	22
	Rising Costs & Supply Chain Disruptions	25
	Real Estate Highlights	28
	Real Estate Schedule	30
	Real Estate Locations Map	31
	Strategic & Collaborative Projects	32
	CEO Award Recipients	34
	Consolidated Financial Highlights	36
	Consolidated Balance Sheet	38
	Consolidated Income Statement	39
	Consolidated Cash Flow Statement	39
02	IMG CITRUS, INC.	41
	Redefining the Citrus Business	42
	Grower Relationships	46
	Sustainability in the Groves	48
	Citrus Under Protective Screen	51
	Activity Highlights	54
	Financial Highlights	55
03	CHERRYLAKE, INC.	57
	Growth & Opportunity at Cherrylake	59
	Innovation on the Farm	62
	Distribution & Logistics Model	64
	Sustainable Landscapes	66
	Launch of E-Commerce	72
	Financial Highlights	74
04	CONSOLIDATED FINANCIALS	77
	Consolidated Balance Sheet	78
	Consolidated Income & Cash Flow	79
	Capital Expenditures	80

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Letter from the Chairman of the Board

Michel Sallin

IMG Enterprises, Inc. (IMGE), through its subsidiaries (IMG Citrus, Inc.; Happy Food, LLC; M&V, LLC; and Cherrylake, Inc.), operates 13,098 gross acres of land. This acreage is net of the sale of 28 acres of vacant commercial land in Manatee County that was sold in FY2022 for \$8.75 million to Watermark at Ellenton. Of the 13,098 total acres of the company, Cherrylake operates 1,603 gross acres for the purpose of growing ornamental trees, shrubs, and palms, and IMG Citrus manages 11,397 gross acres to produce fresh grapefruit, oranges, tangerines, sod, and watermelon.

On a consolidated level, our revenues reached \$119.5M for FY2022, 9.5% above FY2021. Consolidated EBITDA came in at \$26.3M in FY2022, compared to \$20M in FY2021. This increase of 31.5%, or \$6.3M, includes \$9.6M of exceptional income in FY2022 compared to \$5.7M in FY2021. The exceptional income in FY2022 is attributed to the sale of the Ellenton property and Citrus Tree Insurance. Excluding the exceptional income, our consolidated EBITDA from ongoing operations increased from \$14.3M in FY2021 to \$16.7M in FY2022, an increase of 17%. Cherrylake's EBITDA from ongoing operations increased by 9% from

\$9.7M to \$10.6M, and IMG Citrus's EBITDA, before exceptional income, increased by 19% from \$5.7M to \$6.8M.

In FY2022, our total capital expenditures for all divisions were \$8.5M, compared to \$20.4M in FY2021. This substantial decrease in capital expenditures is largely attributed to the FY2021 purchase of the Imagine Grove for \$12.8M and the Hunt Lake property for \$530K. On June 30, 2022, our leverage ratio and EBITDA to Senior Debt Service ratio were 0.66 and 6.03, compared to 0.76 and 4.75 on June 30, 2021.



We have used the Employee Net Promoter Score (ENPS) for the past ten years to measure our employees' satisfaction and engagement. A positive ENPS (higher than zero) is generally deemed good, and an ENPS of +50 is considered excellent. In May 2022, the ENPS of Cherrylake and IMG Citrus were 55% and 49%, compared to 60% and 70% the prior year. The overall ENPS for IMGE at the end of FY2022 was 53%, compared to 63% the prior year. We use the same methodology to measure our customers' satisfaction. At the end of FY2022, the CNPS (Customer Net Promoter Score) of Cherrylake and IMG Citrus were respectively

76% and 77%, compared to 76% and 70% the prior year.

In FY2022, IMG workman compensation Experience Modification Rate (EMR) was 0.95 compared to 0.84 the prior year. We have maintained our EMR under one for the past eight years, a great accomplishment for the safety team and all of our employees.

On a consolidated basis for FY2023, IMG Enterprises has budgeted total sales at \$138.2M. This 16% increase, compared to the prior year, will come from an increase in both Cherrylake and IMG Citrus sales. For FY2023, we are budgeting a consolidated EBITDA of \$19.9M.

For FY2023, we budgeted capital expenditures of \$17M, compared to \$8.5M in FY2022. The vast majority of these capital expenditures will be on the citrus side. We have budgeted to start the first phase of constructing a new cooler (\$7M) to allow the growth of our citrus import program. We will also continue our groves redevelopment program (\$2.2M) in this very challenging greening environment to allow IMG Citrus to consolidate its position as the largest grapefruit grower in the state of Florida.

We expect our leverage ratio and our EBITDA to Senior Debt Service ratios to be at 0.67 and 4.35 on June 30, 2023, compared to 0.66 and 6.03 on June 30, 2022.

I express my sincere appreciation to the board of directors, co-CEOs, senior leaders, colleagues, customers, suppliers, and creditors. With common purpose and values, we continue to grow and push forward with great vision.

Michel Sallin
Chairman of the Board
IMG Enterprises, Inc.



In 2021, Melanie Ressler, Chloe Gentry and Timothee Sallin were appointed the Co-CEO's of IMG Enterprises. Our Co-CEO approach emerged as a result of over a decade of succession planning from co-founders Michel and Veronique Sallin.



**BOARD OF
DIRECTORS**

Michel Sallin
Chairman of the Board

Veronique Sallin

Chloe Gentry

Chuck Allison

Melanie Ressler

Timothee Sallin

Todd Gentry



Our Core Values

We communicate openly and honestly

We believe in teamwork and respect for people

We are passionate about what we do

We always propose a solution

We embrace change, learning, and innovation

We foster beauty, cleanliness, and safety of our environment

We encourage entrepreneurial decision making

Vision Statement

We are a sustainable, diversified, family-owned enterprise, rooted in the land and agriculture, which contributes to the health and well being of people and the environment.

Our products, services, and culture connect people employees, customers, and the community with nature for a healthy, happy, and sustainable life.

We are entrepreneurs and believe in vertical integration, branding, certification programs, continuous improvement, and disruptive innovation.

We have a risk management strategy. We do not take any risk we cannot afford or which threatens our sustainability. We build multiple options for our assets and have a plan to monetize dormant assets and assets non-essential to our core business.

We operate according to the principles of lean and flow.

We are organized with the principles of self-management, autonomy, collaboration, and entrepreneurship.

We provide opportunities for our employees to achieve their professional and personal goals and have fun doing it. We create a workplace culture that inspires people to grow.

We value our agriculture workers and equip them with resources, tools, and skills to improve their quality of life. We set an example for other agricultural employers.

We pursue innovation, science, and technology in horticulture and agricultural production methods. We focus on plant health, environmentally friendly practices, reducing chemical and water use.

ORGANIZATIONAL TRANSFORMATION: POSITIVE CHANGE & GROWTH THROUGH OPPORTUNITY

Chloe Gentry, Co-CEO

Transition, change and growth are a constant in our enterprise. Partly driven by our values that promote entrepreneurship, innovation and change. Partly driven by our belief in diversification, integration and differentiation as the core principles to guide our operational growth. And partly driven by the realities of the agriculture industry, where events out of our control such as weather, pests and disease require us to adapt swiftly.

Transition, Change and Growth in Operations

Operationally, this year was no exception and we continue to plan for growth in FY23. Our ornamental plant brokering activities grew in revenue by 40% in FY22 and are poised for another 49% growth in FY23. We launched our Curbside e-commerce business in FY22 reaching into a new market segment of small to medium landscape contractors. In FY23, we will expand our e-commerce business to the retail market, and

invest in agritourism on the Cherrylake campus. We expect our citrus import revenues to increase by 22% in FY23 and plan to invest in further infrastructure to support exponential growth of the import programs moving forward. We planted our first crop of Ruby Red Grapefruit in Citrus Under Protective Screen (CUPS) structures this year. We will build a second CUPS structure trial in FY23 while continuing to refine the best methods to grow and harvest Florida citrus in this new, controlled environment. No doubt, our operations are dynamic and evolving.

Growth + Change in Team Members

FY2022 also brought many changes and transitions to our people and organizational structure. To support our growth in operations, we created new positions and onboarded new team members, increasing our full time equivalents (FTE) by 9% for a total of 598 FTEs in FY22. Some of these new roles include Groves Fertility Leader, Agricultural Applied Research Leader, Logistics and Dispatch



Leader, Curbside Business Developer, Sustainable Landscapes Intern, Farm Landscape Coordinator, and Digital Marketing Specialist. As we grow our operations, we must also grow our teams.

The Great Resignation (or Great Shuffle) – the national ongoing economic trend in which employees voluntarily resigned from their jobs en masse in early 2021 was certainly felt within our enterprise, too. Our Shared Services teams were most touched, notably Information Technology and Marketing, where our talent pool more readily competes with vast remote work opportunities in national and international environments. While creating uncertainty and change, this proved to be a great opportunity for us to onboard new team members who have expert skill sets that align more closely with the evolving goals and priorities of operations. It also allowed us the opportunity to promote existing team members and rethink some of our organizational structures.

Alejandro Barba and Luke Sepe working on the MAF GlobalScan7, a grading system that allows IMG Citrus to sort fruit appearance with precision and also internal quality through shape and density.

Transition in Organizational Structure

Organizational structure is undoubtedly an area where we have been intentionally creating change and innovation as we seek to promote collaborative leadership. Our goal is to reduce the organization's reliance on hierarchy to move actions forward. Instead, we want to create an organization of peers who call on the wisdom, knowledge and experiences of all members of the organization to find solutions to relevant problems, make informed and decisive decisions and communicate with all stakeholders. We believe this model of organizational structure will allow us to be more responsive; it will enhance our ability to sense and respond to opportunities and actively engage all of our team members.

FY22 was our first year operating our Farm Sales Team without an assigned Sales Director role. Instead, we have a team of experienced and passionate Sales Representatives who seek advice and help from each other. They are supported with direct access to expert teams and peers such as the Pricing Team, the Product Management Team, the Marketing Team and the Plant Health Team. They are motivated with a shared incentive program, based on the success of the collective Sales Team – not the individual sales territory. They are equipped with multiple dashboards to provide objective, real-time feedback on key performance indicators such as sales, claims management, inventory age, logistics and Outsourcing growth. They are learning and modeling a collaborative, self-managed organizational structure. Other areas of the organization have also made large strides towards reorganizing around the principle of collaborative leadership, notably our IMG Citrus Harvesting Team and our Cherrylake Landscape Maintenance Team.

We are confident in the vision to transform the organization towards these peer-based leadership teams, yet we acknowledge the need for the transition to be organic and not abrupt. The catalyst for creating these flatter, peer-based structures can and will be wildly different between teams. For the IMG Citrus Harvesting team, it was sparked by the growth of an activity that requires more resources and too much pressure for one person to carry the burden of responsibility. For the Cherrylake Landscape Maintenance team, succession planning for our Director of Maintenance accelerated a peer based leadership system. For the Farm Sales team, the resignation of our Sales Director provided the opportunity to formalize a new culture of leadership. Whatever the circumstance, each team met the challenge of the new organizational structure with enthusiasm and continues to benefit and learn from this new way to manage.



Top: Wilson Builes was featured in Humans of Cherrylake. He is a Superintendent with our Construction Group as well as a talented artist.

Bottom: The Cherrylake Sales team at their annual retreat where they reviewed strategic priorities and participated in team building activities.



The Foundation for Organizational Transition

While we can't predict when the trigger for change will happen, we know we must create the foundation for collaborative leadership so that the teams are ready to embrace it when the opportunity comes. We believe this foundation is based on 5 key elements:

1) A clear, common purpose between all members of the organization and team. At a macro-level, our WHY words help define this purpose, as does our IMG Enterprises vision statement: We are a sustainable, diversified, family-owned enterprise, rooted in the land and agriculture, which contributes to the health and well being of people and the environment. On a micro-level, we have encouraged teams to create strategic maps with their priorities that can tie back to the larger organization's strategic map and be shared with others. We are encouraging SMART goals to be set bi-annually, and shared with team-members so that individuals can support each other. By engaging and informing others of our strategy, our goals, and our purpose, we create the connection and opportunity for collaboration.

2) An unwavering commitment towards living our company values. Our 7 values define the way we work, and provide stability amongst a backdrop of changing structures and operational activities. We continue to promote these values through our culture interviews prior to a hiring decision, our onboarding collateral, and programs such as our CEO Awards that recognize 7 employees each year who portray our values in an exceptional way.

3) Building trusting teams where healthy conflict can flourish. Conflict is healthy when its aim is to improve the outcomes for the team; when it is respectful, not judgemental or personal. It is healthy when it is out in the open, visible to all members of the team and available equally so everyone can safely participate. Healthy conflicts require openness and an ability to entertain others' ideas. It requires setting aside egos, and staying curious about why others may have a different viewpoint. We are currently focusing on a Conscious Communication Workshop series using the principles of Non-Violent Communication and continued work on self-awareness to develop our capacity for healthy conflict at the individual and team level.

"We want to create an organization of peers who call on the wisdom, knowledge and experiences of all members of the organization to find solutions to relevant problems, make informed and decisive decisions and communicate with all stakeholders."

4) Promoting the advice process. Critical to collaborative leadership is encouraging team members to seek advice from others, not a decision from others. It requires reviewing our processes to ensure decision points do not escalate through a hierarchy for approvals. It means re-training our leaders to have the key words and behaviors to give space between their advice and the decision. It requires our leaders themselves to be disciplined to seek advice with the stakeholders of a decision. It requires the belief and grace to know that mistakes will happen, but these mistakes are our best opportunity to learn and coach others.

5) Dashboards and shared goals. We continue to build expertise in collecting and analyzing data, and creating live dashboard reports for our teams to use. This provides real-time, objective feedback on the progress each person or team is making. It also gives us the ability to design incentive packages that are team-based and tied to key performance indicators. Rather than waiting on a manager's subjective feedback, an individual and his/her team can refer to real-time data to understand what initiatives are working, where improvement can be made and what should be the top priorities. Individual stakeholders are given access to key metrics to drive decision making.

It is clear to us that as our operations and enterprise grow through innovation, opportunity and change, so must our teams and organizational structure. We are eternally grateful for our team's commitment to the vision of the Enterprise and their openness to change not only in our operations but also in our organizational structures. It is for our people and also thanks to our people that we can live up to our Organizational Development vision: "We are a purposeful community. Our team members are supported, fulfilled and growing. Together we thrive." ♦

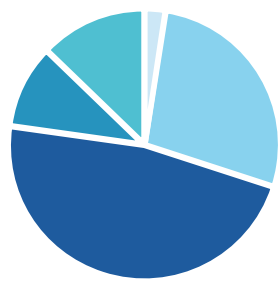


Chloe Gentry

Chloe is a Co-CEO of IMG Enterprises. She plays a vital role in shaping the company's future direction by actively leading strategic vision and driving key areas such as Sales, Marketing, Organizational Development, and Human Resources.

The Team, by the Numbers

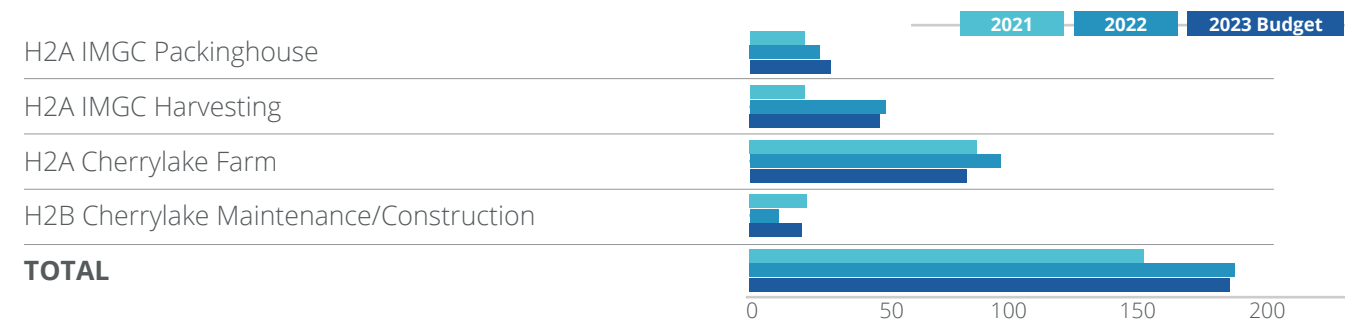
Employee Head Count by Operational Group



As of June 30th, 2022

Shared Services	14	3%
Cherrylake Maintenance	55	10%
Cherrylake Construction	69	13%
IMG Citrus	152	28%
Cherrylake Farm	259	47%
TOTAL	549	

Number Of H-2 Employees By Group



Employee Net Promoter Score (ENPS)

	FY2022	FY2021
IMG Citrus	49%	70%
Cherrylake	55%	60%
IMGE Consolidated	53%	63%

Employee Wages

	FY2022	FY2021
Gross Wages (in 000's)	25,400	21,800
<i>Increase</i>	<i>17%</i>	

Employee Full Time Equivalent (FTE)

	FY2022	FY2021
FTE	598	548
<i>Increase</i>	<i>9%</i>	

Experience Mod Rate (EMR)

	CY2022	CY2021	CY2020	CY2019
EMR	.95	.84	.79	.92

The Maintenance and Construction teams had limited access to H2B labor in 2022 due to the federal program reaching its visa capacity early in the year.



A FOCUS ON FLEET SAFETY THROUGHOUT THE ENTERPRISE

Todd Gentry, Director of Production

The growth of our Construction and Maintenance Groups as well as IMG Citrus' acquisitions over the past few years have led to a substantial increase in our on-road fleet, making it one of the largest risks for our company. As of June 2022 the IMGE fleet consists of 126 vehicles including 118 that are tagged for on road use and 67 trailers. This fleet ranges from sedans, pickup trucks, and vans to semi trucks and buses.

This increase in vehicles on the road has also led to an increase in automobile accidents and subsequent litigation. To address this issue, the Fleet Safety Committee was formed in June 2022, consisting of members from each division. The team's top priority is to create a comprehensive safety program that is consistent among all divisions, with a focus on prevention, documentation, auditing, tracking, and disciplinary actions.

The team has identified several initiatives to improve fleet safety, starting with the installation of dash cameras and GPS tracking devices in all on-road vehicles. These devices, along with Artificial Intelligence, provide a safety dashboard based on metrics and data captured by the cameras. This data is driver-specific and helps management determine which employees need additional safety training. Furthermore, the cameras can help defend against false accident claims by providing concrete evidence of vehicle location, speed, and high-definition video footage.

In addition to the dashboard camera initiative, the team also identified the following topics to focus on:

- All new drivers will be required to complete a comprehensive driving course and pass a certification test before they are allowed to operate any company vehicles.
- Lock Out Tag Out (LOTO) Process for Fleet Trailers: This process ensures that all trailers are properly secured and locked if repairs, service, or maintenance is needed, reducing the risk of accidents and injuries.
- "Auto Accident Alerts" communication to all drivers: In case of an accident, an alert will be sent to all drivers in the fleet with a summary of the accident, preventable

measures that could have been taken, and safety reminders.

- Defined disciplinary actions for safety infractions: The team will establish clear disciplinary actions for any safety infractions, such as speeding, reckless driving, and distracted driving, to ensure consistent enforcement of the Fleet Safety Program.
- Fleet Safety Audit Program: The team will develop an audit program to regularly review on-road vehicles both on and off site to ensure that they are in good working condition and meet all safety standards.
- Develop driver training programs around high risk topics such as securing loads, hooking up a trailer, driving with a trailer, adverse weather conditions, and maneuvering in tight spaces to ensure that all drivers are prepared to handle any situation that may arise.

Overall, fleet safety is one of the top priorities going into FY23, and the Fleet Safety team is committed to rolling out these initiatives to ensure the safety of our employees and our company. The team understands the importance of keeping our employees safe on the road and will continue to work tirelessly to reduce the risks and promote a culture of safety among all employees. ♦



Todd Gentry

Todd Gentry has been a part of the company for 19 years. He oversees all of Cherrylake's Production and Fleet Management and is involved in several cross-functional teams including those focused on safety, agritourism and labor management.



MANAGING RISING COSTS & SUPPLY CHAIN DISRUPTIONS

Throughout the Enterprise, we have faced a number of challenges related to rising costs and supply chain disruptions in FY22. The ongoing COVID-19 pandemic has created uncertainty in global markets, leading to volatility in the prices of raw materials and logistics costs. Additionally, supply chain disruptions have created difficulties in obtaining certain goods and materials, leading to delays and increased costs.

These challenges have required our teams to innovate, come up with creative solutions, and find new vendors and opportunities.

We asked some members of our team to share their challenges and experiences in managing rising costs and delays in the supply chain.



"As input costs for production continue to rise, we are forced to think outside the box to find more economical solutions while maintaining quality and efficiency. This has created an excellent opportunity to expand vendor relations, seek new solutions, and continue to further innovate. While challenging, this will provide long term benefits for the strength and sustainability of our production practices."

- *Austin Spivey, Farm Production Manager at Cherrylake*

"In FY22, inflation impacted all of our operations across IMG Enterprises. Increases in freight, fuel and labor costs were dominant factors driving our input and overhead costs higher. These three factors led to our vendors raising their prices for the materials and services they provided to us. Overall, we were able to minimize the price impacts to our customers through operational efficiencies, innovation and purchasing strategies."

- *David Van Slambrouck, Director of Budgeting, Reporting & Auditing at IMG Enterprises*

"We have encountered prolonged shortages of common replacement parts for essential equipment. These common parts, which were once readily available, have now become difficult to obtain, causing delays in our ability to efficiently spray crops or irrigate groves. Furthermore, we have experienced an alarming increase in the cost of crop protection chemicals. To mitigate these issues, we have proactively stocked up on common parts and products early in the season to ensure availability and mitigate the financial burden, while also reassessing our supply chain strategies to minimize the risk of future disruptions."

- *Courtney Forget, Production Manager at IMG Citrus*

"Inflation affected our packing and production in both raw materials and labor. Not only has inflation impacted us, but availability and lead times have been stretched up to 5 times the traditional period, and in some cases an alternate source has been needed due to lack of availability. Competitive bidding amongst our suppliers has been reduced and the amount of planning required to overcome longer lead times has been a challenge. We'll be stronger in the end when a less volatile environment is present."

- *Todd Haffield, Director of Packing Operations at IMG Citrus*

"Supply chain issues impacted Construction significantly. For materials costs, the area affected most dramatically was irrigation. Cost for PVC pipe increased over 100%, and there were periods when we could not source pipe in certain sizes. Additionally, irrigation valves and heads increased over 30%. We also had to absorb large increases in lumber and fuel. In some cases we were able to negotiate increases for work already under contract, but on most projects these increases eroded our margins. Also, supply chain issues with other trades impacted our schedule. As the last contractor on a project, we inherit the delays of everyone before us. As a result, we had many projects postpone out of the original installation window, reducing our annual revenue."

- *Aaron Morse, Construction Business Project Manager at Cherrylake*

REAL ESTATE HIGHLIGHTS

Luis Juliao,
Business Development Manager

In real estate, volatility is a constant presence. Anticipating and responding to change, whether positive or negative, is crucial for the success of any company. While every challenge has a solution, flexibility and preparedness are key to navigating the unpredictable real estate market.

In February 2022 we closed on the sale of 26 acres in Ellenton for \$8.75 million to Watermark at Ellenton. We retained 9.48 acres of commercial land for future sale or development. As part of our agreement with Watermark, the stormwater infrastructure for the retained acres will be constructed on the 26 acres sold to Watermark effectively making all of the retained 9.48 acres developable. In order to maximize the value of this acreage, we have decided to submit an application to Manatee County to increase commercial entitlements from 125K square feet 144K or more. This process will take approximately 9 months to complete.

We are actively marketing 34 acres in Parrish, Florida. This property is unique with lots of wetlands and direct access to the Gamble Creek.

In 2022, we purchased a fourth single family home in Gifford, FL for our packinghouse H2A program. Given the strong housing market at the time of purchase we paid 43% more compared to similar homes in this neighborhood purchased by IMG Enterprises in 2019.

We remodeled an existing home on the Avant Grove property and certified it for 12 H2A beds. This housing will be sufficient for our harvesting needs on the west coast of Florida. On the east coast we are evaluating several sites for the construction of housing for 52 harvesting workers.



The Ellenton property is located behind an outlet mall and adjacent to major highways. The property was originally purchased in 1978 as an active citrus grove.

The Cherrylake Wilderness Preserve mitigation bank is in the permitting stage with the US Army Corp of Engineers (USACE). We have received our state permit from the South Florida Water Management District (SFWMD) however both permits are needed to begin construction and sales. USACE reviewers have indicated that they would not approve our current phasing approach. This approach was designed to allow farming on future phasing during the construction of earlier phases. We are thus having to revise our phasing plan and will need to modify the SFWMD permit.

IMG Enterprises' preference is to sell this property as a mitigation bank to a qualified investor. We have been in talks with Resource Environmental Solutions (RES), the nation's largest ecological restoration company and owner of the neighboring Big Cypress Mitigation Bank (BCMB). RES is interested in acquiring Cherrylake Wilderness Preserve in order to create a single project with BCMB. We are discussing options for either an outright sale or joint-venture in which IMG Enterprises would maintain a minority interest and RES would become the operating partner. ♦



Luis Juliao
Luis is responsible for business development of Cherrylake's Construction and Maintenance Groups as well as Real Estate. He has been with the company for 5 years.

Real Estate Schedule By Operating Entity

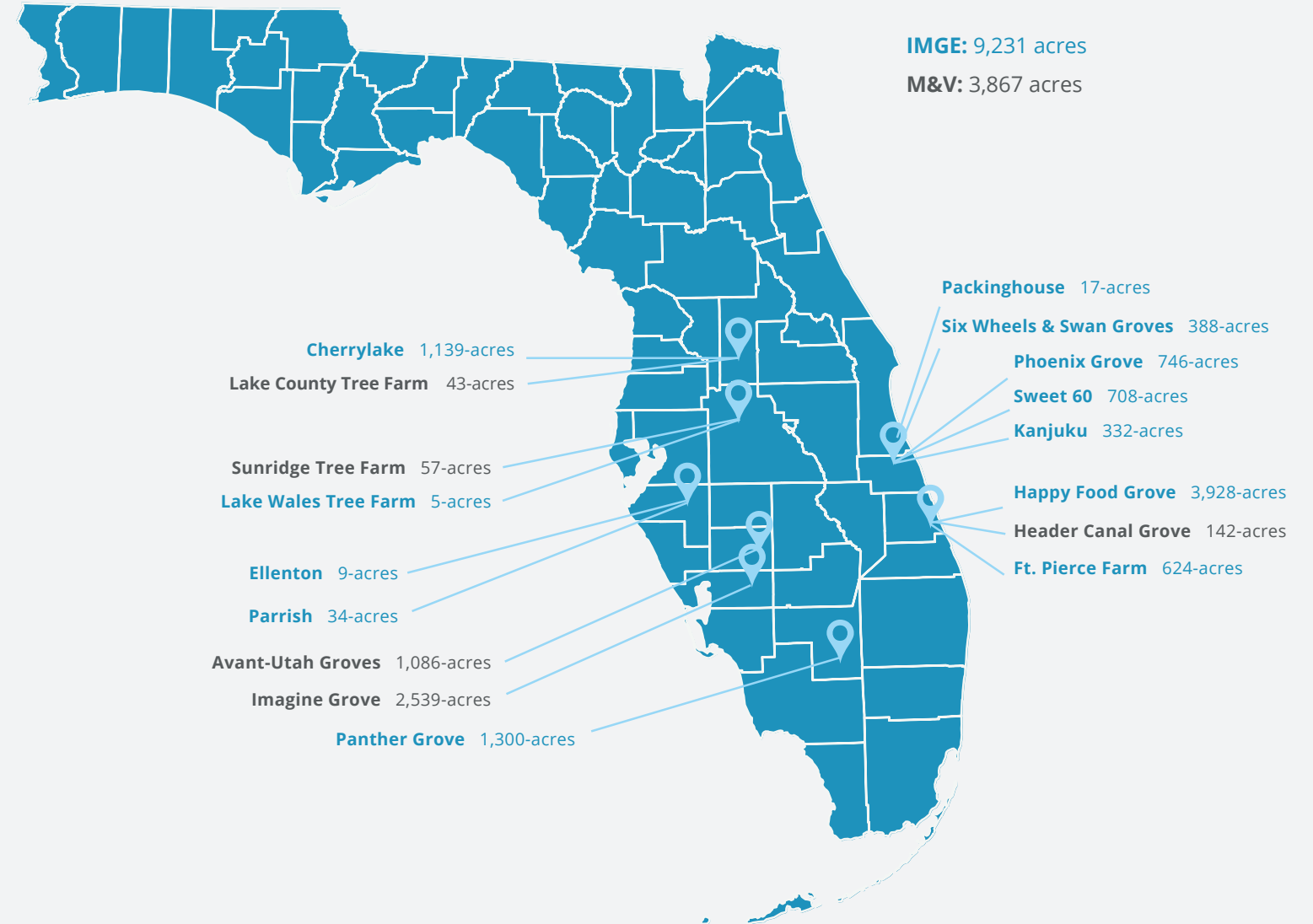
Land & Improvement for IMG Enterprises, Inc., M&V, LLC, and Happy Food, LLC @ Book & Appraised Value

For the 12 months ending June 30, 2022

Landowner		Acres	Book Value	Per Acre Book Value	Market Value	Appraisal Date	Per Acre Market Value
TREE FARM OPERATING ASSETS							
IMGE	Groveland	1,009	18,018,948	17,858	20,012,275	9/15	19,834
IMGE	Ft. Pierce Farm	489	1,107,005	2,264	2,358,798	7/15	4,824
IMGE	Lake Wales (Free & Clear)	5	24,991	4,998	54,386	4/10	10,877
IMGE	Tiara Condo (Free & Clear)	-	269,493	-	310,000	4/10	-
M&V	Sunridge Tree Farm (Free & Clear)	57	499,106	8,756	620,000	4/10	10,877
M&V	Lake Co. Tree Farm Land (Free & Clear)	40	714,196	17,855	475,000	4/10	11,875
M&V	Lake Co. Tree Farm House (Free & Clear)	3	148,655	49,552	190,000	4/10	63,333
TREE FARM TOTAL		1,603	20,782,394	12,965	24,020,459		14,985
IMG CITRUS OPERATING ASSETS							
IMGE	Panther Grove	1,300	2,834,371	2,180	6,400,000	8/15	4,923
IMGE	Kanjuku Grove	332	3,598,515	10,839	2,500,000	7/15	7,530
IMGE	Six Wheels Grove	306	835,284	2,730	2,600,000	7/15	8,497
IMGE	Swann Grove	82	549,378	6,700	500,000	7/15	6,098
IMGE	Groveland Grove	75	691,805	9,224	1,487,725	9/15	19,836
IMGE	Packinghouse	17	6,596,664	388,039	6,000,000	10/14	352,941
IMGE	3200 46th St, Vero Beach (Free & Clear)	0.33	129,517	392,475	129,517	10/19	392,476
IMGE	4826 30th Ave, Vero Beach (Free & Clear)	0.11	163,311	1,484,649	163,311	2/22	1,484,645
IMGE	4875 29th St, Vero Beach (Free & Clear)	0.11	107,118	973,799	107,118	10/19	973,800
IMGE	4896 29th St, Vero Beach (Free & Clear)	0.11	104,340	948,548	104,340	10/19	948,545
IMGE	Ft. Pierce Farm	135	2,058,964	15,252	1,680,222	7/15	12,446
IMGE	Sweet 60 - Beckley/Neville Grove (Free & Clear)	80	1,286,788	16,085	418,626	5/16	5,233
IMGE	Sweet 60 - J2 Grove (Free & Clear)	160	1,294,515	8,091	1,180,060	7/17	7,375
IMGE	Sweet 60 - J4 Grove (Free & Clear)	164	1,955,114	11,921	984,510	7/17	6,003
IMGE	Sweet 60 - J5 Grove (Free & Clear)	200	1,273,407	6,367	1,515,727	7/17	7,579
IMGE	Sweet 60 - J6 Grove (Free & Clear)	38	220,392	5,800	259,378	7/17	6,826
IMGE	Sweet 60 - McDonell Grove (Free & Clear)	66	1,250,170	18,942	313,720	7/18	4,753
M&V	Avant/Utah Grove (Free & Clear)	1,086	3,249,643	2,992	8,600,000	4/10	7,919
IMGE	Phoenix Grove (Free & Clear)	746	2,610,389	3,499	2,650,000	3/18	3,552
M&V	Header Canal Grove (Free & Clear)	142	928,125	6,536	1,353,176	3/18	9,529
HPFD	Happy Food Groves	3,928	28,156,208	7,168	31,250,000	4/19	7,956
M&V	Imagine Grove	2,539	12,821,857	5,050	12,800,000	4/21	5,041
SAS	SAS (Free & Clear)		865,537		865,537	9/21	
IMG CITRUS TOTAL		11,397	73,581,413	6,456	83,862,967		7,359
LAND DEVELOPMENT							
IMGE	Parrish Land (Free & Clear)	34	130,153	3,828	340,000	12/10	10,000
IMGE	Ellenton (Free & Clear)	9	237,478	26,386	2,201,468	4/10	244,608
IMGE	Lake Lucie Frontage (Free & Clear)	31	294,414	9,497	294,414	10/16	9,497
IMGE	North Cherrylake Groves (Free & Clear)	5	102,434	20,487	102,434	2/19	20,487
IMGE	Hunt Island (Free & Clear)	19	530,347	27,913	530,347	7/20	27,913
LAND DEVELOPMENT TOTAL		98	1,294,826	13,213	3,468,663		35,395
TOTAL IMG & M&V		13,098	95,658,633	7,303	111,352,089		8,502
IMGE	IMG Subtotal	5,303	49,140,842	9,267	56,063,913		10,573
M&V	M&V Subtotal	3,867	18,361,582	4,748	24,038,176		6,216
HPFD	HPFD Subtotal	3,928	28,156,208	7,168	31,250,000		7,956
TOTAL		13,098	95,658,633	7,303	111,352,089		8,502
IMGE	Total Free & Clear	2,886	18,389,635	6,373	23,763,069		8,235
IMGE	Total Encumbered	10,212	77,268,998	7,566	87,589,020		8,577

Real Estate Locations

13,098 Acres of Land Under Management



SPOTLIGHT: STRATEGIC & COLLABORATIVE PROJECTS

Cherrylake Sustainable Landscape Trials

Through our trial gardens, we have accumulated a tremendous amount of knowledge regarding growing, designing, building and maintaining sustainable landscapes in a short period of time. The trials started with The Edge planting in 2021, followed by research plots at Sunbridge in Lake Nona in partnership with University of Florida and Tavistock and most recently, the Pavillion Gardens planting at the Groveland Administrative office in July 2022. This work has allowed us to increase our knowledge of native plants for optimum performance and right-plant right-place design principles, as well as develop a refined understanding of water, pest and weed management.

As a result, Cherrylake is positioning itself as an industry leader and creating opportunities for the farm to increase its native palette while also carving niche, high value markets for our Construction and Maintenance Groups to serve. This work has been accomplished through cross-functional teams within the enterprise as well as partnerships with outside stakeholders including universities, landscape architects and developers. These projects have exemplified our values of continuous learning, entrepreneurship, innovation, teamwork and respect for the environment.

Cherrylake Lake Kirkland Inventory Purchase

In May 2021, Cherrylake acquired the inventory of Lake Kirkland Tree Farm for a flat fee of \$400,000 with a 1-year lease on a farm. The inventory mix consisted mostly of native cedar and pine trees and the proximity to our own farm made the agreement particularly attractive and feasible to manage. It created a unique opportunity to boost our Outsourcing program while gaining market and growing knowledge for the native product line. It also demonstrated an interesting business model for providing solutions to small farms with limited succession plans; an emerging trend within our industry.

At the close of FY22, we had sold 7,737 30 gallon equivalent (EQ) units for a total of \$701,275 in sales, yielding a gross margin of \$435,000, or 62%. We returned on our investment, but still had 9,598 remaining 30 gallon EQ units to sell. This success was a collaborative project between the Satellite Farm team, the Production Team, the Product Management team, the Logistics team and the Sales team.

Shifting Manager Julio Rodriguez at the Lake Kirkland farm where we purchased over 15,000 trees mostly including native cedar and pine trees.



IMG Citrus Citrus Under Protective Screens

In May of 2022 IMG Citrus planted its first Ruby Red grapefruit crop in the 13 acre CUPS (Citrus Under Protective Screen) structure, the first of two trials we plan to install. The CUPS structure is located at the Cherrylake campus in Groveland, Florida due to its central location in the state and its protection from most hurricanes.

This structure is designed to protect citrus crops from greening, and is one of several methods the IMG Citrus team is utilizing to increase production yields and continue farming Florida citrus. The CUPS project has been a collaborative effort between the Groves, Harvesting and Cherrylake Production teams, and offers numerous opportunities for the team to continue innovating in both growing and harvesting fresh Florida citrus.

2022 CEO AWARD RECIPIENTS

Our CEO Award Recipients are celebrated during the annual State of the Company event. Prior to the State of the Company, we invite both Cherrylake and IMG Citrus team members to praise and recognize co-workers who they feel embody our company values in an exceptional way through a nomination process. We are thankful to have employees that bring our values to life everyday.



We communicate openly and honestly

Jessica Humphries
Shared Services

"Jessica has a great strength in communication. Whether one on one or presenting in a meeting, she is eloquent and expresses information in a very concise and direct way. She is confident in what she knows but does not hesitate to say if she doesn't know something."



We believe in teamwork and respect for people

Evelia Chavez
IMG Citrus

"She is supportive, inclusive, and attentive to everyone around her. Evelia is selfless and always puts others ahead of herself looking out for the team and company. She is detailed and a great teacher!"



We are passionate about what we do

Clint Updike
IMG Citrus

"Clint has over 25 years experience in the citrus industry. With the citrus industry in survival mode, it takes a team with great minds to brainstorm and propose solutions. Clint is always thinking ahead in these challenging times and is a huge compliment to the team."



We always propose a solution

Mathieu Segers
Cherrylake Farm

"He works alone the majority of the time, and has to get pretty creative with how to accomplish tasks without help. His passion drives him to figure out how to accomplish each task and each project, all the while, maintaining a happy and kind demeanor."



We embrace change, learning, and innovation

Felix Rodriguez
Cherrylake Construction

"Felix has a deep understanding of irrigation systems and has always been passionate about sharing that knowledge. Now, as a Superintendent he is expanding that passion to include landscaping. Our customers are fortunate to have Felix working on their projects."



We foster beauty, cleanliness, and safety of our environment

Joaquin Perez
Shared Services

"Joaquin is such a hard worker and has a great amount of passion and knowledge for our safety programs, organizational development, and human resources. He is always up for a new challenge and opportunity. He goes above and beyond for Cherrylake and IMG Citrus day in and day out."



We encourage entrepreneurial decision making

Melbin Santana
Cherrylake Maintenance

"Melbin performs on all levels. Leadership. Mentoring. His customers love him. He's a team player and is willing to help anyone who needs it."

Financial Highlights

IMG Enterprises, Inc. and M&V, LLC

For the 12 months ending June 30th (in 000's of dollars except ratios)

Consolidated Income & Cash Flow Statement

	Forecast	Actual	Actual
	2023	2022	2021
Consolidated Net Sales	138,201	119,514	109,128
Consolidated Gross Margin	37,395	32,108	28,584
Consolidated EBITDA	19,903	26,329	20,022
Consolidated EBIT	13,203	19,894	14,609
Extraordinary Items/Other Income (included in EBITDA)	375	9,610	5,733
Net Income	11,054	17,880	12,723
Total Capital Expenditures	17,025	8,495	20,408

Consolidated Financials @ Book Value

	Forecast	Actual	Actual
	2023	2022	2021
Total Assets	177,639	177,627	159,635
Senior Debt	59,348	58,427	56,770
Total Liabilities	71,348	70,489	68,866
Book Value Equity	106,291	107,138	90,769

Consolidated Selected Ratios @ Book Value

		Forecast	Actual	Actual
		2023	2022	2021
Leverage Ratio	Max. 1.45	0.67	0.66	0.76
EBITDA to Senior Debt Service	Min. 1.25	4.35	6.03	4.75

2022 Net
Sales Actual
\$119M

2022 EBITDA
Actual
\$26M

2022 Total
Assets
\$178M



Consolidated Balance Sheet @ Book Value

As of June 30th (000's of dollars)

	Forecast 2023	Actual 2022	Actual 2021
CURRENT ASSETS			
Cash & Cash Equivalent	2,505	2,660	1,176
Deposits/Prepays	1,452	9,787	1,287
Accounts Receivable	13,699	12,564	11,271
Inventory @ Cost	41,740	40,744	36,569
Other Receivables - Related Party	4,400	8,400	7,802
TOTAL CURRENT ASSETS	63,796	74,155	58,105
PROPERTY, PLANT & EQUIPMENT			
Net Book Value of Depreciable Assets	7,813	7,813	7,666
Real Estate & Improvements @ Book Value	106,030	95,659	93,864
TOTAL PP&E @ BOOK VALUE	113,843	103,472	101,530
TOTAL ASSETS	177,639	177,627	159,635
LIABILITIES			
Accounts Payable & Accrued Expenses	12,000	12,062	12,096
Long Term Debt to US Banks	40,296	42,925	45,155
Line of Credit with US Banks	19,052	15,502	11,615
TOTAL LIABILITIES	71,348	70,489	68,886
EQUITY @ BOOK VALUE	106,291	107,138	90,769
TOTAL LIABILITIES & EQUITY	177,639	177,627	159,635

2023 Net
Sales Forecast
\$138M

2023 EBITDA
Forecast
\$20M

2023 Total
Assets Forecast
\$178M

Consolidated Income Statement

	Forecast 2023	Actual 2022	Actual 2021
TOTAL NET SALES	138,201	119,514	109,128
COST OF GOODS SOLD	100,806	87,406	80,544
TOTAL GROSS MARGIN	37,395	32,108	28,584
<i>Selling, General & Admin</i>	24,567	21,824	19,708
<i>Other Income/(Loss)</i>	375	829	1,139
<i>Extraordinary Items</i>	-	8,781	4,594
EBIT	13,203	19,894	14,609
<i>Add: Depreciation</i>	6,700	6,435	5,413
EBITDA	19,903	26,329	20,022
<i>Depreciation</i>	(6,700)	(6,435)	(5,413)
<i>Interest (Expense) Income</i>	(2,149)	(2,014)	(1,886)
EBT	11,054	17,880	12,723
Net Income	11,054	17,880	12,723

Consolidated Cash Flow Statement

	Forecast 2023	Actual 2022	Actual 2021
EBITDA	19,903	26,329	20,022
Accounts Receivable	(1,029)	(2,186)	122
Inventories	(997)	(4,175)	148
Accounts Payable / Other	12,167	(8,239)	(437)
Total Working Capital Change	10,141	(14,600)	(167)
<i>Capital Expenditures</i>	(17,025)	(8,495)	(20,408)
<i>Gain (Loss) on Sales / Other</i>	-	(8,424)	69
Investing Activities	(17,025)	(16,919)	(20,339)
Net Operating Cash Flow	13,019	(5,190)	(484)
<i>Loan to Shareholders / Euro</i>	(11,900)	(1,511)	(1,273)
<i>Gain / Loss Sales / Other</i>	-	8,599	347
<i>PPP Loan</i>	-	-	(4,158)
<i>Long Term Debt (Borrow / (Repay))</i>	(2,675)	(2,287)	2,298
<i>Credit Line</i>	3,550	3,887	4,078
<i>Interest Paid</i>	(2,149)	(2,014)	(1,886)
Total Corporate Activities	(13,174)	6,674	(594)
Net Change in Cash	(155)	1,484	(1,078)

LEADERSHIP TEAM

Brian Randolph
Director of Grove Production

Luke Sepe
Head of IT

Sydney Allison
Director of Sales

Todd Haffield
Director of Packing Operations





A YEAR IN REVIEW: REDEFINING THE CITRUS BUSINESS

Melanie Ressler, Co-CEO

FY22 proved to be another challenging year for the citrus operation. The division achieved revenues of \$66.475M, representing a 14% increase over the previous year and exceeding the budget by nearly \$1M. Increased sales were primarily due to increases in selling prices; however, reduced grove yield and increases in both production costs and SGA costs resulted in slightly lower-than-expected EBIT. The division reported EBIT of \$3.293M, compared to a budget of \$3.684M and the previous year's result of \$4.075M. In FY22, \$2.142M of EBIT was derived from the Florida citrus operation (65% of the total), and \$1.151M of EBIT was derived from the import operation. In addition to ongoing yield attrition from HLB (Huanglongbing or citrus greening), production was impacted by an early-season windstorm and a late January freeze.

The citrus team continues to battle the challenges of growing citrus in a greening environment. The industry saw another year of declined production with a harvest of 22.8M boxes of juice oranges and 3.3M boxes of grapefruit. The 2022 industry production of oranges and grapefruit represented a 25% and 18% reduction compared to the previous year. Company orchards saw a slight decrease in average yields from 202 fieldboxes/acre to 192 fieldboxes/acre* in 2022. Integrated profit per acre saw a slight increase from \$1,241 to \$1,341. Although these levels of profit are below expectation for the level of investment and risk involved, we are pleased to show profit on the Florida operation despite the many challenges brought on with HLB.



* Yield adjusted for field boxes lost to freeze event.

"Although volumes are niche, there are consumers willing to pay 2x the price of grapefruit from competing growing regions. The unique taste of Florida grapefruit is the best in the world and worth fighting for."

We continue to see strong demand and appreciation for the superior taste profile of Florida grapefruit. Although volumes are niche, there are consumers willing to pay 2x the price of grapefruit from competing growing regions. The unique taste of Florida grapefruit is the best in the world and worth fighting for. This is our purpose and our passion and we are committed to seeing the other side of this greening crisis.

As we learn to grow citrus in this new environment, production practices are shifting to a focus on soil and root health in order to create the most favorable environment for the trees. We are seeing positive results in the establishment of new orchards using higher densities, subsurface irrigation, compost, microbes and cover crops. In addition to outdoor plantings using new production systems, we have begun planting Citrus Under Protective Screens (CUPS). Our first CUPS structure was planted in the spring of 2022 and allows us to grow in a greening free environment. Over the next few years, it is our intent to grow our CUPS program to 450 acres which will yield 800k cartons of Florida grapefruit for our fresh programs. We are actively deepening our vertical integration to not only reduce costs, but also to improve our level of service to our customers. Additionally, we are constantly seeking strategic diversification opportunities that can leverage our strengths, assets, and talent, allowing us to further enhance our business.

Our citrus import program which started 6 years ago has grown to represent 1.1M cartons. Our current program focuses on lemons, oranges, mandarins and grapefruit from Chile and Peru to supply the Southeast distribution centers of our national retailers. We import products through the Port of Miami and use our Vero Beach facility as a packing and distribution platform. Our transparent approach, which aims to build a bridge between the grower and the retailer, has allowed us to establish a network

of highly professional and aligned grower partners. Additionally, our regional Southeast strategy enables us to reduce logistics costs, while also improving the freshness of our products for retailers. This program presents a tremendous opportunity for continued growth and we will be looking to expand our cold storage capacity in FY23. Expanded cold storage capacity will also allow us to look at expanding the regions we import from to include the northern hemisphere which we will bring to market during our Florida season. This allows an opportunity to offer complementary varieties to the Florida offering.

As we look to FY23 we expect continued top line growth in the citrus division. This is due to budgeted increases in import sales, watermelon sales, Florida sales from fruit procurement and Florida sales from IMG Citrus groves. We expect a slight increase in sales prices to compensate for inflationary pressures on cost structures. Total sales are budgeted at \$74M with a gross margin equal to that of FY22 at 19%. SGA expenses will increase from \$5.8M to \$6.2M resulting in a budgeted EBITDA of \$8.4M and EBIT of \$3.6M.

We are incredibly grateful to the citrus team for the hard work, dedication and commitment to redefining the citrus industry in Florida despite the devastation brought on by HLB. Embracing the challenge, we continue to become better farmers, operators, and marketers. It is a pleasure to work daily with such a talented and passionate team. ♦



Melanie Ressler

Melanie is a Co-CEO at IMG Enterprises, collaboratively leading the strategic vision of the enterprise along with her siblings. She specializes in finance, accounting and risk management while also supporting the sales and operations leadership teams at IMG Citrus.

DIFFERENTIATION THROUGH GROWER RELATIONSHIPS

Sydney Allison, Director of Sales

We have been able to use our knowledge as a Florida grower to select the most reliable and quality-focused South American growers who align with our core values and sustainable practices. We work with the same growers year after year in order to create meaningful, transparent partnerships that foster win-win opportunities for our customers, vendors, and partners. Traditional importers typically utilize 7 to 15 exporters from each country and while it does create volume, it does not allow for valuable partnership building. Our production has grown to over 1M cartons of imported citrus, with 95% of that volume coming from two exporters out of Chile and one out of Peru.

Propal, our largest supplier from Chile, makes up about 60% of our total volume. They operate impressive state-of-the-art packinghouse facilities, and have a culture of process improvement and

lean management that ensures taste quality, food safety, and efficiency throughout. CrispaGold, also from Chile, makes up about 20%. They have been a loyal partner who adapts well to our needs and programs. Our Peruvian supplier, Norsur, makes up about 15%. Norsur is an exceptional grower and they put a strong emphasis on innovation and exploring the best citrus varieties and trends. These three solid relationships have been built over the past 5-7 years and have allowed us to grow to where we are today.

Our strategy to create meaningful partnerships has allowed us to create consistency in shipment and quality, learn from growers around the world to help make us better growers, and build great business and personal relationships. We have been able to work hand-in-hand to find solutions and build each other's business, communicate openly and honestly, and introduce our partner growers to our customers in three-party relationships.



Melanie, Timothee and Sydney with Frusan, one of our Chilean growers.

As growers, we truly understand what it means to return the best price to the tree. Having these relationships gives us the focus and care to do the best job we can for our growers, just as if it was our own fruit.

For our customers, we are able to bring this differentiation and offer these same meaningful relationships to them with full transparency and consistency. The produce world is not easy, but by creating a strong core we are able to deliver and communicate to offer our growers and customers the best quality, consistency, availability and options. ♦



Sydney Allison

Sydney is responsible for leading the sales efforts for both Florida and imported citrus, as well as developing our Partner growers in South America.

She is both customer and grower focused, bridging unique opportunities to our year-round strategy.

SUSTAINABILITY IN THE GROVES

Brian Randolph, Director of Grove Production

Agriculture is the largest industry in the world, and the need for sustainable resource management has become increasingly important. IMG Enterprises is committed to investing in and innovating in sustainable agricultural and landscape practices that align with our values and purpose. In particular, we have been focusing on improving soil fertility, promoting water conservation, and refining our integrated pest management strategies in our efforts to combat greening disease.

Healthy soil is essential to sustainable agriculture. It consists of organic matter, water, minerals (fertilizers), and living organisms. IMG Citrus has been working to rebuild our soil ecosystem through composting and the incorporation of beneficial microbes such as bacteria (bacillus strains) and fungi (trichoderma strains). These efforts have helped us reduce our use of synthetic fertilizers by 25% and maintain or increase our yield per acre.

Water is a vital commodity, and sustainable water usage is a top priority for our farming operations.

We have implemented microjet irrigation systems and automated irrigation systems on over 3,000 acres, which have helped us reduce water usage by an average of 33% and up to 66% in some areas. Integrated Pest Management (IPM) helps us reduce the risks associated with pest and disease management by promoting more eco-friendly tactics and minimizing the potential for air and water contamination. We have reduced our use of the most toxic chemicals and decreased the overall amount of plant protection materials applied per acre by 33% to 50%, leading to better efficacy and less runoff to the soil.

Sustainable farming requires a continuous process of learning, innovation, and improvement. By adopting a stewardship mindset and constantly seeking ways to become more efficient and minimize our impact on natural resources, we can create a more sustainable and abundant model of production. ♦



Brian Randolph

Brian has been a part of the company for 21 years. He and his team are responsible for 11,397 acres of citrus throughout the state.



FUTURE FOCUSED AGRICULTURE: CITRUS UNDER PROTECTIVE SCREEN

In May 2022, we planted our first crop of Ruby Red grapefruit in a 13-acre CUPS (Citrus Under Protective Screen) structure at our Groveland location. The CUPS structure is a tightly woven mesh screen that is 16 feet tall and enclosed on all sides, with a roof to protect the citrus crops from greening, a condition caused by the HLB bacteria carried by the citrus psyllid pest. We planted 3,290 Ruby Red grapefruit trees using high density plantings, bringing the total to 12.1 planted acres. These trees will produce fruit for juicing in about three years, with the first commercial fresh fruit market crop expected to be ready for harvest in five years.

CUPS provides a controlled environment for growing citrus, allowing us to produce fruit

in a greening-free environment. It also offers additional benefits such as higher pack-outs due to reduced wind scarring and larger fruit size, more vigorous tree growth, and new opportunities for automation in production and harvesting. We expect that, at maturity, CUPS will yield 800-1,000 field boxes per acre, which is 4-5 times more than current yields in traditional open-air groves.

This initial CUPS project is intended to be a prototype for us to learn more about the production system and the engineering and construction of the structure. Our goal is to expand our CUPS program over time to increase our supply of grapefruit and diversify our production risk. The next phase of the project will be a 22-acre structure south of our first phase, where we will experiment with higher densities of 400 trees per acre and a small trial of super high density (SHD) up to 800 trees per acre. We will also be testing four different rootstocks, including dwarfing rootstocks, to help optimize tree size for this unique growing environment.

The primary risk in this production model is hurricane winds, which can potentially damage the structure and result in significant repair costs and a breach in psyllid protection. To mitigate this risk, we plan to select sites in the central part of the state where hurricane force winds are least likely to occur. We will also improve the design and construction of the structure to further reduce hurricane risk.

So far, we are pleased with the results of our first phase. We have experienced two hurricanes and a major freeze in 2022, which have helped us learn about the CUPS system and given us confidence that it can be scaled. Our ultimate goal is to develop a significant CUPS program of 400 acres over the next 10 years, which could yield up to 400,000 field boxes per year, a 45% increase to our current grapefruit production company-wide. We are working to secure a property in Marion County for this purpose. ♦



Our initial CUPS approach involves planting crops at a higher density in a greening free environment to accelerate their growth and bring them to production faster. The irrigation and nutrition program is designed to promote tree growth in an ideal environment, while also prioritizing responsible management practices.



Clint Updike

Clint is a third generation Florida citrus grower. He oversees the citrus production at our Groveland location, which includes our CUPS planting and newer Tango and Bingo groves amongst others.

Activity Highlights

IMG Citrus

For the 12 months ending June 30th (in 000's except ratios)

	Forecast 2023	Actual 2022	Actual 2021
NUMBER OF CARTONS SOLD	1,320	1,131	1,129
Europe	170	159	154
Japan	19	26	119
Asia	-	-	4
Canada	20	18	52
USA	1,111	929	799
NUMBER OF FL CARTONS PACKED	1,282	1,093	1,114
Grapefruit	889	814	827
Oranges	352	235	235
Tangerines	41	45	52
ORIGIN OF FRUIT SUPPLY (in cartons)			
Company Groves (IMG/M&V)	1,038	941	968
Fruit Purchase from Growers	244	152	146
SUB TOTAL IMG PACKINGHOUSE	1,282	1,093	1,114
Purchase from Packinghouses	38	38	15
Imported Citrus	1,250	1,057	948
TOTAL CARTONS MARKETED	2,570	2,188	2,077
COMPANY GROVES			
Total Productive Tree Acres	4,890	5,204	5,148
Pre-Productive Tree Acres	608	583	592
Caretaking Cost per Net Tree Acre	3,043	2,802	2,429
Harvested Field Boxes	914	884	952
Average Return to Tree	18.67	17.43	14.95

2023 Cartons Packed by Florida Variety Forecast



Financial Highlights

IMG Citrus

For the 12 months ending June 30th (in 000's except ratios)

	Forecast 2023	Actual 2022	Actual 2021
SALES	74,038	66,476	58,473
% of sales growth	11%	14%	14%
GROSS MARGIN	14,308	12,624	10,988
% of net sales	19%	19%	10%
EARNINGS FROM OPERATIONS (EBIT)	3,600	3,293	4,075
% of net sales	5%	5%	7%
EBITDA	8,347	7,910	7,896
% of net sales	11%	12%	14%
OTHER INCOME & EXTRAORDINARY	250	1,072	2,160
NET INCOME	2,177	1,847	2,295
CAPITAL EXPENDITURES	14,149	6,386	17,976

2023 Sales
Volume Forecast

\$74M

2023 EBITDA
Forecast

\$8M



FARM

Austin Spivey
Horticulture Production
Leader

James Walker
Head of Planning &
Product Management

Julio Rodriguez
Shifting Manager

Todd Gentry
Director of Production

MAINTENANCE

Brad Hatcher
Account Manager

Doug Schmieder
Irrigation Manager

Jim Lieffort
Director of Landscape Maintenance

Marvin Carlton
Account Manager/Plant Health Leader

Melbin Santana
Account Manager

CONSTRUCTION

Aaron Morse
Director of Construction Admin.

Luis Perez Jr.
Project Manager

James Dyer
Project Manager

Mark Gage
Project Manager



A YEAR IN REVIEW: GROWTH & OPPORTUNITY AT CHERRYLAKE

Timothee Sallin, Co-CEO

Cherrylake Inc. had another successful year in FY22 with consolidated sales of \$53.1M and consolidated EBITDA of \$10.9. These results are driven by the performances of our operating groups and our unique position as a fully integrated and diversified ornamental horticulture and landscape company.

The housing and construction markets in the Southeast and Gulf States have been robust. However, lead indicators such as housing starts and the month supply of housing inventory are pointing to a slowdown. We expect that demand for our products and services will decrease in FY24 as a result.

To prepare for this potential slowdown, our teams are focusing on strategic priorities designed to increase market share, improve operational efficiency, and diversify into new markets. One of these initiatives is the launch of Cherrylake Curbside, an e-commerce platform that allows us to sell trees online to local landscapers. We plan to

expand this service to retail customers in the spring of 2023. This diversification will help mitigate the impact of a construction slowdown as retail sales tend to be countercyclical to new construction.

Our Outsourcing business also continues to grow, with sales increasing by 40% from \$6M in FY22 to \$8.4M. We are budgeting for an additional 48% increase in Outsourcing sales in FY23, bringing the total to \$12.5M. The growth of Outsourcing helps increase our market share in the ornamental landscape plant market and allows us to offer a wider range of products, supporting higher pricing for our farm-grown products.

To support the growth of Outsourcing, we are investing in distribution and logistics. We are improving our distribution processes and systems and building a strong team to lead these activities, including loading, receiving, inventory management, demand forecasting, purchasing, and carrier management. We expect that these distribution and logistics activities will eventually



become a profit center with its own P&L, generating an EBITDA in excess of \$1M per year by 2025.

Our Construction Group was affected by supply chain issues, labor shortages, and construction delays in FY22, resulting in a 25% decrease in sales from \$16.6M in FY21 to \$12.5M in FY22. We expect FY23 to be a rebound year, with sales budgeted at \$18M as major projects are underway and our backlog is at an all-time high of \$24.8M as of June 2022.

In the near term, Cherrylake is well-positioned to maintain sales and profitability despite the anticipated slowdown in housing and construction demand. Our diversification, integration, and focus on continuous improvement while leveraging synergies between core activities will help us achieve sustained growth and resilience.

Looking to the future, Cherrylake continues to invest in sustainable landscapes. As a result, we have been selected as a strategic partner for several large master planned communities, including Sunbridge and Deering Park. These partnerships will allow for deep integration of our Farm, Outsourcing, Construction, Maintenance and Curbside activities as these projects are built-out over the next decades.



Timothee Sallin

Timothee is a Co-CEO of IMG Enterprises, where he has been an integral part of the company for 21 years. Timothee's expertise extends to various areas including Sales, Construction, Maintenance and Operations.

In FY23, we plan to invest in our vision for an agritourism facility in Groveland. This facility will be dedicated to connecting our community to agriculture and nature, promoting ecological literacy and appreciation for healthy food, sustainable landscaping, and nature-based wellness.

These strategic innovations as well as our financial results are grounded in our values, shared purpose, and unique organizational culture. We remain committed to developing a workplace culture founded on the principles of collaborative leadership, self-management, and evolutionary purpose. It is a blessing to work with so many talented and engaged individuals who find joy and purpose in pursuing our collective goals. It is this energy of entrepreneurship, collaboration, and passion that drives our success, and I am deeply grateful to be part of this extraordinary community. ♦

"Our diversification, integration, and focus on continuous improvement while leveraging synergies between core activities will help us achieve sustained growth and resilience."



Construction Foreman Roberto Lara and team member Dayana Chacon working together at the Celebration Island Village project.



Landscape Maintenance Production Manager, Elis Lopez maintaining community Arbors at Meadow Woods in Orlando.



The Shifting Teams hit a new record in FY22 for the most units ever shifted with high efficiency ratings.

INNOVATION ON THE FARM

Austin Spivey, Production Manager

Cherrylake has a continued focus on innovation and technology to improve our quality at competitive cost. This year is no different and there have been several promising innovations around the farm.

With the help of 3rd party engineers, we have developed some mechanized equipment prototypes to prune our tree roots during the shifting process of our production. While still early in the implementation phase, we are confident this will save time, manpower, and reduce fatigue in our workforce.

Controlling weed growth around the farm is a constant challenge. We have recently converted some unused assets to develop herbicide application equipment that will allow us to use a liquid pre-emergent sprayed over the top of our shrub production areas, replacing a granular application. This will eliminate thousands of hours of labor annually, reduce herbicide input costs by 40-50%, and improve the overall efficacy of the applications.

As an investment into future technologies we contracted Cultivate AI to utilize drone technology to fly the 1,200 acre farm and create a digital geographic information system (GIS) map. The incredible resolution and detail captures all the way down to the individual post for our trellis systems. The accompanying software has helped streamline data collection for particular farm assets and creates a platform for other software interfacing. We believe this will be helpful in the implementation of future technologies that use GPS such as autonomous tractors, autonomous sprayers and drones.

The Farm Leadership Team has recognized an opportunity to increase space utilization and improve overall quality by changing the inventory flow within our production growing cycles. By routing more trees through a 16 inch Air-Pot® size during our growing process, we will be able to process more trees in the same amount of space while increasing our ability to maintain a healthy and desirable root structure. Additionally, this new routing structure gives us the ability to more readily protect our crops in the event of hurricanes or other wind events.

The future looks very bright. We are all very excited to continue to innovate and be on the leading edge of our industry. ♦



Austin Spivey

Austin coordinates the plant health and maintenance programs of all our containerized plant material for Farm operations. He is a member of the Farm Leadership Team and continuously explores opportunities to connect with others, innovate and learn.



CHERRYLAKE DISTRIBUTION & LOGISTICS MODEL

David Ressler, Outsourcing and Curbside Leader

We are working towards becoming the leading distributor of ornamental plant material in the Southeast and Gulf States markets. To achieve this goal, we have focused on increasing the sale and distribution of outsourced products, which saw a significant increase from \$6M in FY21 to \$8.4M in FY23. We are on track to reach our FY23 budget of \$12.5M, effectively doubling in two years. We believe there is potential for continued doubling of this business and that Outsourcing sales will eventually surpass Farm sales, which have remained stable at around \$30M per year.

To support this growth, we have adopted a warehouse model for distribution and logistics. Under this model, most material is shipped to our Groveland hub before being distributed to the markets. This approach allows us to package outsourced material with farm-grown material and fulfill a variety of customer orders, including small and large orders. The warehouse distribution model maximizes the potential of our sales team to sell inventory on hand and reduces fulfillment times.

"We believe there is potential for continued doubling of this business and that Outsourcing sales will eventually surpass Farm sales."

While there are additional costs and constraints associated with this approach, such as inbound freight, receiving and handling labor, and farm space utilization, our ability to mark up products by 20-25% after costs demonstrates that there is significant value to the customer in this model. The rapid growth of outsourcing and the volume of material shipped to our main location are putting pressure on our operations and highlighting areas that need improvement. Processes such as purchasing, receiving, inventory management, order fulfillment, loading, and shipping must be coordinated and optimized in order to efficiently handle inbound and outbound products. We are looking to benchmark with other successful distribution companies and adopt proven practices from other industries to streamline these processes.

To emphasize the importance of distribution and logistics in our integrated strategy, we have created a separate P&L for this activity. Income is generated from freight charges to customers and intercompany charges for logistics services, while costs include all logistics fleet expenses, third-party inbound and outbound shipping costs, receiving and loading labor, and logistics administration and management costs. We are building a team of new and existing employees

to establish this profit center and have set a goal of reaching \$1M of EBITDA contribution by FY25.

Growth through distribution and logistics allows Cherrylake to further integrate within the supply chain, leverage our core assets and strengths, and achieve fast growth with relatively low risk and capital requirements compared to farming. Most importantly, this growth model meets the needs of our customers and provides exciting career development opportunities for our employees. ♦



David Ressler

David leads the Outsourcing, Curbside and Loading operations at Cherrylake with a focus on the expansion of our distribution capabilities.

SUSTAINABLE LANDSCAPES: CARVING THE WAY FOR OUR FUTURE

Jimmy Rogers, Sustainable Landscape Coordinator

When it comes to landscaping, sustainability can mean a lot of different things. Whether it be lower water consumption, lower maintenance requirements or less chemical intervention, all improvements to sustainability are a step in the right direction. These benefits are only a start. Sustainable landscapes with a focus on native plant materials help revive our ecosystems and can provide meaningful solutions to complex problems as our state faces increased population growth and increased strains on natural resources. For the past two years Cherrylake has been working collaboratively to learn and model how our industry can transition towards these sustainable landscapes.

Learning Through Landscape Trials

In January of 2021, we began the design of our first Florida native landscape trial named The Edge. We partnered with universities, landscape architects, researchers, native nurseries, and Florida native specialists to create an edge planting along the perimeter of the ornamental farm located in Groveland, Florida. The selected site was 14,000 square feet of bahiagrass with no visible wildlife of any kind, yet strategically located to be viewable from the public roadway on Cherry Lake Road/CR 478. The landscape's functional design incorporated plants that would rotate in their blooming seasons so there would be food and flowers for pollinators year-round. The aesthetic design sought to create a natural landscape feel, contrasting with the more traditional organized designs typically seen in Central Florida.

Our Construction Group mobilized in the spring of 2021 to install irrigation, as well as several 1400-gallon Live Oaks and Miss Chloe Magnolias to provide an immediate sense of maturity and beneficial natural shade. The addition of nearly 5,200 Florida native plants – mostly grown by Cherrylake's Production Team – completed the meadow landscape design of The Edge.



Florida native, Muhly Grass, in bloom during the fall season at The Edge 1.

In the fall of 2021, The Edge 2 was planted. Instead of the dynamic “designed by nature” feel of the first Edge landscape, this planting was designed to provide an ideal roadside landscape planting reminiscent of more traditional landscapes. The broader structured plant masses of similar species presented more color and uniformity, while also being more easily appreciated by interstate travelers moving at high speeds. Wider spacing and higher use of evergreen plants were selected to promote sustainability and structure long term.

The moment that the very first trailer of plants arrived at The Edge, so did the pollinators. What the team witnessed over the next several months was nothing short of amazing. Honeybees and several generations of bumblebees scoured the 1/3 acre of new blooms, foraging nectar and pollen for their colonies. Numerous species of butterflies began showing up, laying eggs on their host plants and producing plump, nutrient-rich caterpillars that songbirds fed to their young. Subsequently, several clutches of Bluebirds have also flourished. No doubt we've learned much by monitoring, maintaining, and trying new things since that first planting was installed.

In spring of 2022, the wildflowers in The Edge and The Edge 2 sprung to life and grew at an incredible rate to fill-in and create a more lush and mature appearance than in year one. Bumblebee populations increased exponentially, gopher tortoises

"The moment that the very first trailer of plants arrived at the Edge site, so did the pollinators. What the team witnessed over the next several months was nothing short of amazing."



have set up residence, and the entire dynamic of the site has evolved dramatically. What was once nothing but bahiagrass is now teeming with life. It has become a vibrant food chain that is literally restoring this plot of land to what it may have been hundreds—or even thousands of years ago.

Transitioning to Development: The Tavistock Partnership

In late 2020, Cherrylake and Tavistock began to explore a partnership that included University of Florida and University of Central Florida with the intent to ensure that the landscaping in the 24,000 acre Sunbridge development would be sustainable and beneficial to our ecosystem. The developer for this planned community across Orange and Osceola counties saw the permitting opportunities that resulted from lower water consumption of their landscapes, as well as the branding opportunities around native and ecological stewardship. For Cherrylake and our partners, it provided a unique opportunity to trial more native landscapes and gain further understanding of what is needed for adoption by the end-users. We began by creating sixteen equal test plots to evaluate 26 species of plants to grow in the native soil at the Sunbridge site. These trial research plots were planted at the Sunbridge “BaseCamp”, the Information & Sales Center for the Sunbridge Community.

In January of 2022, the Cherrylake Construction group installed the plant material in the research plots as well as at 6 model homes. The use and effectiveness of compost was trialed, with half of the plots amended to include it. Overall, the plants have performed well, and the plots with compost are clearly more healthy and productive than the plots without compost. The research plot format provided valuable insight, and the model homes have shown that the knowledge gained from the plots have improved the outcomes on the residences. Our Maintenance Group continues to be involved maintaining the research plots and model homes, continuously learning along the way.

Positioning for the Future

These projects have given Cherrylake the opportunity to explore and better understand sustainable landscapes. It has given our Construction Group the opportunity to explore irrigation systems, soil amendments, and plantings that are specific to this landscape – all while our Project Managers are intimately involved with the designs and construction of these landscapes. It has given our Maintenance Group an opportunity to learn how to garden these native plants and landscapes, which is dramatically different from the traditional "mow and blow" model of most Florida landscapes.

Looking forward, we see tremendous opportunities to align ourselves throughout our operations. At the farm, we will continue to review our Master Plan to incorporate more natives in our plant palette and our vision for agritourism includes education around sustainable landscapes. Our Construction Group will continue to cultivate partnerships with targeted developers, homebuilders and landscape architects as we position ourselves as the premier installer of these landscapes. Our Maintenance Group will continue learning the most efficient ways to care for these native landscapes and provide meaningful career growth through horticultural training of our staff.

Our learning has been exponential, and is positioning us as a forerunner in a growing and new market that values the ecological conservation, aesthetic beauty and quality of life that sustainable landscapes provide. The steps we take on a local level have global repercussions. The choices we make today will directly impact the world of tomorrow. By creating landscapes that work with, instead of against, our environment, we're beautifying the world for generations to come. ♦

OUTSIDE Sustainable Landscape Collaborative

Shifting the Florida Landscape Paradigm

In addition to improving our own sustainability practices, our company is also dedicated to inspiring other Florida movers and shakers in the landscaping community. We founded OUTSIDE Sustainable Landscape Collaborative in 2019 with the goal of bringing people together to collaborate on what we can do to shift the landscape paradigm in Florida.

Cherrylake started the initiative and soon others joined in, including University of Florida, Dix.Hite, University of Central Florida, and Tavistock. OUTSIDE Collab hosts an annual conference every fall attracting hundreds from across the state to attend in person and virtual workshops, keynotes, and tours. Our involvement in OUTSIDE is helping brand Cherrylake as the large scale, premium supplier of native plant material as well as an expert for building and maintaining native landscapes. Putting us as a forerunner in a growing and new market.



Jimmy Rogers

Jimmy is part of the Sustainable Landscaping team. He provides strategic oversight of the farm landscape management and works with our Construction and Maintenance teams to build our expertise and markets around native landscapes.

CHERRYLAKE CURBSIDE: THE LAUNCH OF E-COMMERCE

Caraline Jones, Marketing Manager
Luke Sepe, Head of Information Technology

Cherrylake Curbside was created in 2021 to meet the needs of smaller landscape professionals who struggle to meet the minimum order requirements of our wholesale operation. Customers can purchase directly from Cherrylake online and pick up curbside in as little as two hours from the time of purchase. This allows Cherrylake to sell to a new demographic of customers without the need for additional sales and accounting support. Designed as a quick turnaround solution, the same-day pickup structure allows local landscape professionals to access plant material just-in-time with fewer of the logistical considerations necessary in the traditional wholesale channel.

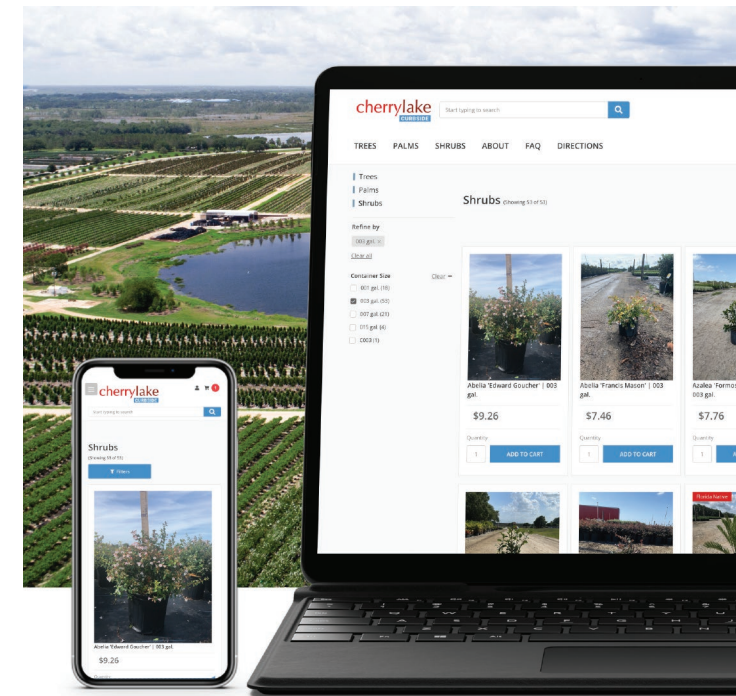
The Curbside website was built on the BigCommerce platform which is designed to integrate natively with our ERP system. While Curbside was built with small business in mind, it is also an excellent test case to open our doors to a wider retail business.

This system could also provide a future online ordering experience for our wholesale customers, allowing them to make purchases and provide payment through a parallel B2B ecommerce channel.

Our Marketing, Outsourcing, Logistics, and IT teams have collaborated to face the challenges of creating an optimized user experience while enabling a full stack of data integrations between the e-commerce front end and our back office accounting system. We onboarded a Business Development Manager at the end of FY22 to usher in new customers. While it took a while to get Curbside off the ground, we have been seeing this venture take many strides in recent months with a steady increase in both daily order volumes and monthly revenue.

In Curbside V2, we will explore opening our services to retail customers, providing a much larger user

base. We are integrating a pickup scheduling application that will allow customers to select a date and time of their order pickup. This will also provide information to our internal teams to plan for smooth and expedient customer transactions. The Curbside pickup area will be seeing new improvements in Spring of 2023, including a manned pickup window to greet arriving customers. Future marketing implementations include email drip campaigns, abandoned cart notifications, SMS text messaging and order follow-up surveys. With analytics and reporting on user interactions as well as direct feedback from customers, we can continue to improve the user experience and provide an interface that is simple, scalable and profitable. ♦



Caraline Jones
Caraline leads the marketing department for IMG Enterprises and has been with the company for 10 years. She serves on multiple cross-functional teams, including Curbside, Organizational Development, and Agritourism.



Luke Sepe
Luke is the Head of IT, where he leads the company's technology strategy and operations. He also serves on the IMG Citrus leadership team and actively participates in cross-functional teams, including Curbside.

Financial Highlights

Cherrylake

Includes Farm, Construction, Maintenance and Outsourcing Groups

For the 12 months ending June 30th (in 000's of dollars except ratios)

Net of inter-group elimination

	Forecast 2023	Actual 2022	Actual 2021
NET SALES (INCL. FREIGHT)	64,221	53,098	50,712
% of sales growth	21%	5%	17%
GROSS MARGIN	23,144	19,542	17,654
% of net sales	36.0%	36.8%	34.8%
EARNINGS FROM OPERATIONS (EBIT)	10,883	9,122	11,768
% of net sales	16.9%	17.2%	23.2%
EBITDA	12,816	10,903	13,331
% of net sales	20.0%	20.5%	26.3%
OTHER INCOME & EXTRAORDINARY	125	324	3,616
NET INCOME	10,008	8,490	11,509
CAPITAL EXPENDITURES	2,876	1,910	1,868
INCREASE/(DECREASE) IN INVENTORY	594	1,693	(1,583)

2023 Net Sales
Forecast

\$64M

2023 EBITDA
Forecast

\$13M

2023 Gross Margin Forecast

33%

Farm/
Outsourcing

34%

Construction/
Maintenance

36%

Cherrylake
Combined

Farm

Before inter-group elimination

	Forecast 2023	Actual 2022	Actual 2021
SALES	32,717	30,181	28,774
% of change	8%	5%	12%
30G EQ UNITS SOLD	255,977	242,756	252,063
% of change	5%	-4%	11%
30G EQ PRICE (FOB)	111.42	108.86	101.73
% of change	2%	7%	1%
GROSS MARGIN	13,252	11,741	10,171
gross margin %	41%	39%	35%
EBITDA	7,251	6,996	9,504
EBT	7,371	7,088	9,103
30G EQ INVENTORY CHANGE	10,289	6,883	(32,398)
CAP EX	1,722	1,244	1,017

Outsourcing

Before inter-group elimination

	Forecast 2023	Actual 2022	Actual 2021
SALES	12,500	8,405	6,009
GROSS MARGIN	2,139	1,819	855
gross margin %	17%	22%	14%

Construction/Maintenance

Before inter-group elimination

	Forecast 2023	Actual 2022	Actual 2021
SALES	22,765	17,138	20,017
PURCHASES FROM CHERRYLAKES	5,456	2,703	4,088
GROSS MARGIN	7,753	5,982	6,628
gross margin %	34%	35%	33%
EBITDA	3,426	2,088	2,972
EBT	2,637	1,402	2,406
ENDING BACKLOG	13,500	17,828	8,478
CAP EX	1,154	666	851

Inter-group Elimination

	Forecast 2023	Actual 2022	Actual 2021
FARM SALES	46,912	38,662	34,783
CONSTRUCTION/MAINTENANCE SALES	22,765	17,138	20,017
INTER-COMPANY SALES	(5,456)	(2,703)	(4,088)
NET SALES (INCL. FREIGHT)	64,221	1,819	50,712
% of net growth	21%	5%	17%



IMG
Enterprises

Consolidated Financials

2022 Consolidated Balance Sheet @ Book Value

As of June 30th (000's of dollars)

	IMGE	M&V	Eliminations	IMGE/M&V Consolidated
CURRENT ASSETS				
Cash & Cash Equivalent	2,653	7	-	2,660
Deposits/Prepays	9,787	-	-	9,787
Accounts Receivable	11,596	1,221	(253)	12,564
Inventory @ Cost	40,744	-	-	40,744
Other Receivables - Related Party	16,275	6,092	(13,967)	8,400
TOTAL CURRENT ASSETS	81,055	7,320	(14,220)	74,155
PROPERTY, PLANT & EQUIPMENT				
Net Book Value of Depreciable Assets	7,813	-	-	7,813
Real Estate & Improvements @ Book Value	77,479	18,180	-	95,659
TOTAL PP&E @ BOOK VALUE	85,292	18,180	-	103,472
OTHER ASSETS				
	-	-	-	-
TOTAL ASSETS	166,347	25,500	(14,220)	177,627
LIABILITIES				
Accounts Payable & Accrued Expenses	11,900	415	(253)	12,062
Long Term Debt to US Banks	35,004	7,921	-	42,925
Line of Credit with US Banks	15,502	-	-	15,502
Other Debt - Intercompany	-	13,967	(13,967)	-
TOTAL LIABILITIES	62,406	22,303	(14,220)	70,489
EQUITY @ BOOK VALUE	103,149	3,989	-	107,138
TOTAL LIABILITIES & EQUITY	165,555	26,292	(14,220)	177,627

Since July 1, 2005, IMG Enterprises, Inc. adopted Financial Accounting Standards Board (FASB) Interpretation No. 46R "Consolidation of Variable Interest Entities." The adoption of FIN 46R requires the company to consolidate M&V, LLC as a variable interest entity.

The objective of this interpretation is not to restrict the use of variable interest entities but to improve financial reporting by enterprises involved with variable interest entities. The FASB Board believes that if a business enterprise has a controlling financial interest in a variable interest entity, the assets, liabilities and results of the activities of the variable interest entity should be included in consolidated financial statements with those of the business enterprise.

Although IMG Enterprises, Inc. has no direct ownership or equity in M&V, LLC, M&V, LLC is owned by common owners of IMG Enterprises, Inc. and is primarily engaged in the business of owning and operating citrus groves. Under a marketing agreement, IMG Citrus has the exclusive right to market the citrus produced by M&V, LLC.

The consolidation of M&V, LLC and IMG Enterprises, Inc. was presented throughout this report to reconcile our audited financial statements and to provide a presentation that complies with FASB standards. However, this does not have any impact on the valuation of IMG Enterprises, Inc. stock because there is no equity relationship between the entities. The following are the financial highlights of IMG Enterprise, Inc. separate from M&V, LLC.

2022 Consolidated Income & Cash Flow Statement

As of June 30th (000's of dollars)

	IMGE	M&V	Eliminations	IMGE/M&V Consolidated
CONSOLIDATED INCOME STATEMENT				
Total Net Sales	118,482	5,150	(4,118)	119,514
Cost of Goods Sold	87,920	3,546	(4,060)	87,406
Total Gross Margin	30,562	1,604	(58)	32,108
Selling, General & Administration	20,865	1,017	(58)	21,824
Other Income/(Loss)	829	-	-	829
Extra Ordinary Gain/(Loss)	8,307	474	-	8,781
EBIT	18,833	1,061	-	19,894
Add: Depreciation	5,420	1,015	-	6,435
EBITDA	24,253	2,076	-	26,329
Depreciation	(5,420)	(1,015)	-	(6,435)
Interest (Expense) Income	(1,671)	(343)	-	(2,014)
EBT	17,162	718	-	17,880
Net Income	17,162	718	-	17,880
CONSOLIDATED CASH FLOW STATEMENT				
EBITDA	24,253	2,076	-	26,329
Accounts Receivable	(1,492)	(694)	-	(2,186)
Inventories	(4,175)	-	-	(4,175)
Accounts Payable/Other	(8,443)	204	-	(8,239)
Total Working Capital Change	(14,110)	(490)	-	(14,600)
Capital Expenditures	(7,498)	(997)	-	(8,495)
Gain (Loss) on Sales/Other	(8,424)	-	-	(8,424)
Investing Activities	(15,922)	(997)	-	(16,919)
Net Operating Cash Flow	(5,779)	589	-	(5,190)

IMG Enterprises, Inc. and M&V, LLC Capital Expenditures

As of June 30th

	Forecast 2023	Actual 2022	Actual 2021
CHERRYLAKE FARM			
Land Improvements	65,500	50,512	52,916
Building & Improvements	260,000	7,338	39,026
Irrigation	26,500	94,930	76,720
Vehicles	162,000	258,892	198,717
Equipment	871,995	678,773	514,970
Holding Systems	261,403	154,056	120,057
Computers	75,000	-	14,153
TOTAL NURSERY	1,722,398	1,244,501	1,016,559
CHERRYLAKE CONSTRUCTION			
Vehicles	431,500	327,824	301,080
Equipment	120,500	55,244	98,683
Computers	-	-	15,429
TOTAL CONSTRUCTION	552,000	383,069	415,192
CHERRYLAKE MAINTENANCE			
Vehicles	413,000	124,421	275,779
Equipment	189,000	158,972	159,961
TOTAL MAINTENANCE	602,000	283,393	435,740
TOTAL CHERRYLAKE	2,876,398	1,910,963	1,867,491

	Forecast 2023	Actual 2022	Actual 2021
IMG CITRUS			
Vehicles	409,800	173,295	303,034
Equipment	1,512,967	1,442,013	1,496,464
Irrigation	870,231	171,612	180,624
Building & Improvements	350,000	82,548	159,224
Packinghouse Improvements	5,000	37,895	139,851
Grove Development	2,251,649	2,624,941	2,696,651
Citrus Structures (CUPS)	998,853	482,747	200,071
Cooler	7,000,000	497,660	-
Land Purchase	-	-	12,800,000
Land Improvements	-	7,300	-
SAS	750,000	865,537	-
TOTAL IMG CITRUS	14,148,500	6,385,549	17,975,919
CORPORATE			
Land Purchases	-	15,000	-
Building & Improvements	-	-	-
Mitigation Bank	-	183,643	34,167
TOTAL CORPORATE	-	198,643	564,514
TOTAL IMG ENTERPRISES CAPEX	17,024,898	8,495,155	20,407,924

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We believe that through our sustainable connection to the environment we can transform the world exponentially.



[IMGENTERPRISES.COM](http://imgenterprises.com)

[CHERRYLAKE.COM](http://cherrylake.com)

[IMGCITRUS.COM](http://imgcitrus.com)