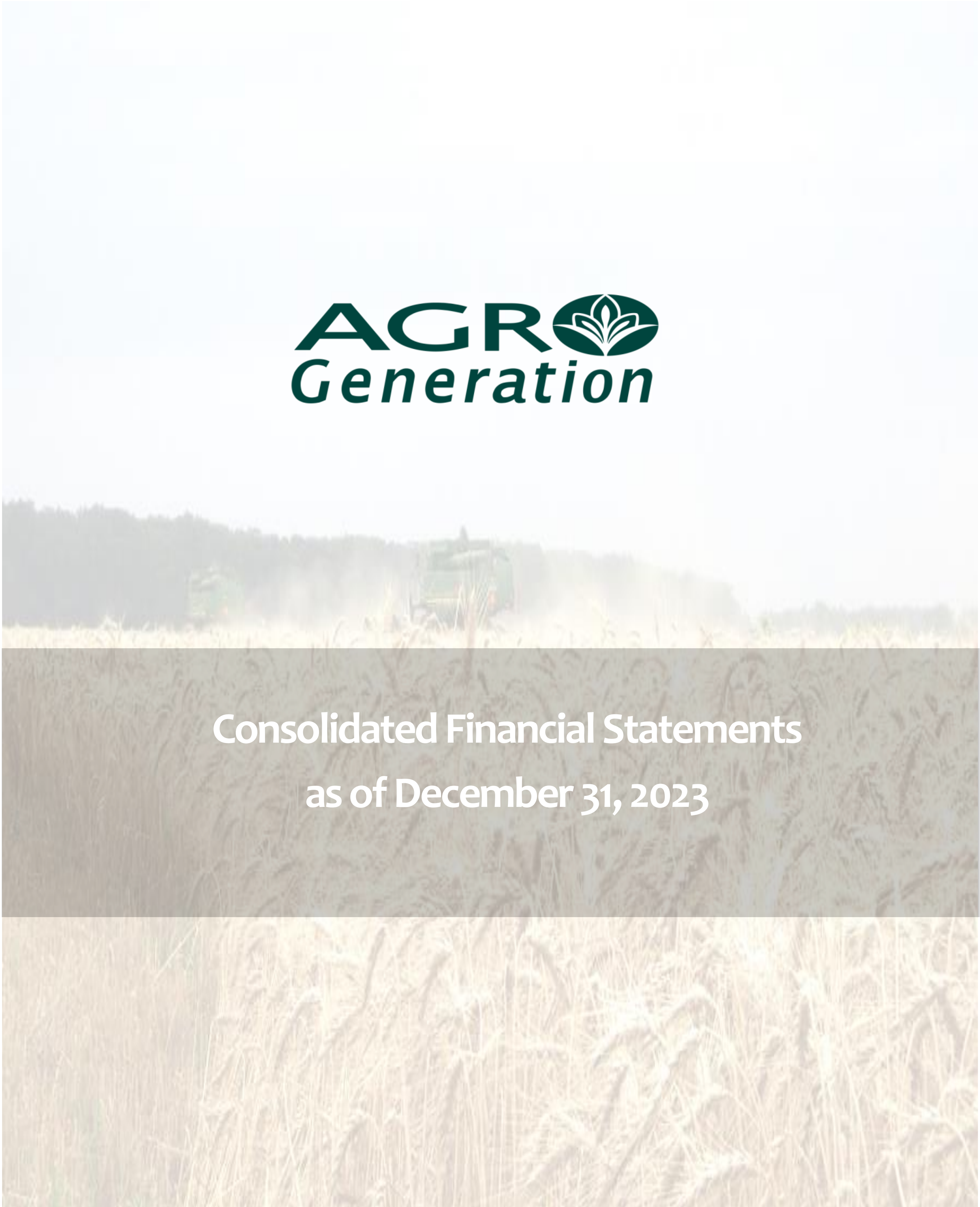

Consolidated Financial Statements as of December 31, 2023

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Consolidated statement of financial position

(in thousands of Euros)

Assets	***Note***	**December 31, 2023**	**December 31, 2022**
Non-current assets		**19 198**	**15 273**
Intangible assets	9	74	64
Right-of-use Assets (Land)	10	6 961	6725
Property, plant and equipment	11	12 163	8484
Current Assets		**12 731**	**21 118**
Inventories	14	7 656	11 414
Financial assets	12	7	75
Biological assets	15	3 001	1 788
Trade and other receivables	16	1 352	2 768
Cash and cash equivalents	17	715	5 073
Total assets		**31 929**	**36 391**

Equity and Liabilities	***Note***	**December 31 2023**	**December 31, 2022**
Equity		**13 242**	**13 990**
Share capital	19	11 079	11 079
Share premium	19	225 042	225 042
Other reserves		(118 608)	(118 608)
Retained earnings		(66 518)	(53 414)
Revaluation reserves		7 687	19 553
Currency translation differences		(37 532)	(38 067)
Net Income		(7 908)	(31 595)
Non-controlling interests		-	-
Non-current liabilities		**7 338**	**7 319**
Provisions	20	-	-
Non-current borrowings	18	191	442
Non-current lease liabilities for right-of-use assets	18	7 147	6 877
Deferred tax liabilities	13	-	-
Current liabilities		**11 349**	**15 082**
Provisions	20		-
Current borrowings	18	6 456	6 904
Current lease liabilities for right-of-use assets	18	1 684	3 842
Trade and other payables	21	2 875	3 921
Current income tax liability		334	415
Total equity and liabilities		**31 929**	**36 391**

Consolidated income statement

(in thousands of Euros)	*Note*	2023	2022
Revenue	23	**16 914**	**25 864**
Change in fair value of biological assets and finished goods	15	(4 781)	(10 310)
Cost of sales	24	(13 261)	(21 162)
Gross profit / (loss)		**(1 128)**	**(5 608)**
Selling, general and administrative expenses	24	(2 970)	(6 195)
Other income and expenses	25	(797)	(261)
Losses, expenses and other effects as the result of war	5	-	(15 448)
Profit before interest and tax		**(4 895)**	**(27 512)**
Financial net (expenses) / income	26	(3 043)	(3 673)
Income tax (expense) / gain	13	30	(410)
Profit / (loss) for the period		**(7 908)**	**(31 595)**
Non-controlling interests		-	-
Profit /(loss) from continued and discontinued operations attributable to the Group	27	**(7 908)**	**(31 595)**
Profit / (Loss) attributable to equity holders of the company (€, 000)		(7 908)	(31 595)
Weighted average number of ordinary shares		221 586 387	221 586 387
Basic earnings / (loss) per share (in Euros per share)	27	**(0,04)**	**(0,14)**
Profit / (loss) attributable to equity holders of the company after dilution (€, 000)		(7 908)	(31 595)
Weighted average number of ordinary and potential shares		221 586 387	221 586 387
Diluted earnings / (loss) per share (in Euros per share)	27	**(0,04)**	**(0.14)**

Consolidated statement of comprehensive income

(in thousands of Euros)	2023	2022
Profit / (loss) for the period	**(7 908)**	**(31 595)**
Items that will not be reclassified to profit and loss, net of tax	**6 625**	**-**
Gains on Property, plant and equipment revaluation	6 625	-
Items that are or may be reclassified to profit and loss, net of tax	**535**	**(4 560)**
Currency translation differences arising during the period	535	(4 560)
Currency translation loss reclassified to profit or loss during the period	-	-
Total comprehensive income of the period	**(748)**	**(36 155)**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Share premium	Other reserves	Retained earnings	Revaluation reserves**	Currency translation differences*	Total, Group share	Non-controlling interest	Total equity
Balance as of December 31, 2021, *restated (Note 5)*	**11 079**	**225 042**	**(118 608)**	**(67 517)**	**33 656**	**(33 507)**	**50 145**	**-**	**50 145**
Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-
Other comprehensive income/(expenses) *	-	-	-	-	-	(4 560)	(4 560)	-	(4 560)
Transfer from other comprehensive income to retained earnings**	-	-	-	14 103	(14 103)	-	-	-	-
Net Income / (loss) for the year	-	-	-	(31 595)	-	-	(31 595)	-	(31 595)
Balance as of December 31, 2022	**11 079**	**225 042**	**(118 608)**	**(85 009)**	**19 553**	**(38 067)**	**13 990**	**-**	**13 990**
Revaluation of Property, Plant and Equipment	-	-	-	-	6 625	-	6 625	-	6 625
Other comprehensive income/(expenses) *	-	-	-	-	-	535	535	-	535
Transfer from other comprehensive income to retained earnings**	-	-	-	18 491	(18 491)	-	-	-	-
Net Income / (loss) for the year	-	-	-	(7 908)	-	-	(7 908)	-	(7 908)
Balance as of December 31, 2023	**11 079**	**225 042**	**(118 608)**	**(74 426)**	**7 687**	**(37 532)**	**13 242**	**-**	**13 242**

(*) Currency translation differences

Revaluation of Ukrainian hryvnia in the 2023 had significant impact on assets and liabilities of the Consolidated Financial Statements.

The positive impact of currency translation differences for 2023 amounts to **€ 535 k** and is composed of:

> € 472 k gain due to translation difference on current year loss arising from the difference between average (or daily) and closing rate (39,56UAH/ EURO and 41,21UAH/EURO respectively).
>
> € 553 k loss due to translating the opening net assets at a closing rate (42,2UAH/EURO) that differs from the previous closing rate (38,95UAH/EURO): the loss is due to the fact that retained earnings of Ukrainian entities are positive.
>
> € 616 k gain due to translation difference on transfer of intracompany investment from AGG SA (EUR denominated) to AGU (UAH denominated, at the closing UAH/EURO rate)

(**) Revaluation surplus on fixed assets disposed in 2023 and remaining revaluation surplus of prior years before revaluation dated December 31, 2023.

Consolidated cash flow statement

(in thousands of Euros)	**Note**	**2023**	**2022**
Profit / (loss) from continued operations		(7 908)	(31 595)
Profit / (loss) from discontinued operations		-	-
Profit / (loss) for the period		**(7 908)**	**(31 595)**
Depreciation on fixed assets		4 500	5 839
Provisions		-	-
Capital (gains) / losses from disposals		(5)	(14)
Net financial (income) / loss		3 043	3 673
Deferred and income taxes (income) / expense		(30)	410
Biological assets and finished goods fair value decrease / (increase)		653	14 503
Goodwill impairment		-	-
Impairment of fixed assets		480	-
Bad debt provision		121	394
Losses and expenses incurred as the result of war		-	13 672
Other (income) / expense with no cash impact		(38)	(45)
Cash flow from operating activities		**816**	**6 837**
Trade and other payables (decrease) / increase*		(387)	28
Inventories (increase) / decrease		(1 515)	(4 872)
Biological assets cost decrease / (increase)		2 307	1 559
Trade and other receivables decrease / (increase) **		(501)	(2 294)
Income tax paid		(69)	-
Working capital variation		**(165)**	**(5 579)**
Net operating cash flow		**651**	**1 258**
Cash flow from investing activities			
Purchase of property, plant and equipment		(699)	(865)
Purchase of intangible assets		(29)	(41)
Purchase of financial assets		-	-
Disposal of property, plant and equipment		68	44
Disposal of intangible assets		-	-
Disposal of financial assets		-	2 603
Net investing cash flow		**(660)**	**1 741**
Cash flow from financing activities			
Purchase/sale of treasury shares		-	-
Pledged term deposits decrease / (increase)	12	66	(46)
Proceeds from borrowings		-	-
Repayment of borrowings		(404)	(369)
Payment of lease liabilities for right-of-use assets		(3 641)	(2 443)
Gain / (losses) from realised foreign exchange		(4)	(99)
Paid interests		(111)	(116)
Net cash generated from financing activities		**(4 094)**	**(3 073)**
Effects of exchange rate changes on cash and cash equivalents		(255)	739
Net movement in cash and cash equivalents		**(4 358)**	**665**
Cash and cash equivalents at the beginning of the period	17	**5 073**	**4 408**
Cash arising from held for sale activities at the beginning of the period* **		-	-
Cash and cash equivalents at the end of the period	17	**715**	**5 073**
Cash and cash equivalents at the end of the period from discontinued operations		-	-
Cash and cash equivalents at the end of period from continued operations		**715**	**5 073**

** In the consolidated balance sheet, the accounts receivable as of December, 31 2023 include prepayments made to suppliers of the Group. In the consolidated cash flow statement, the variation in prepayments to suppliers (negative cash flow / increase in receivable), which stands at € 18 k, not inclusive of exchange rate effects, is presented as a change in accounts payable.*

*** In the consolidated balance sheet, the accounts payable as of December, 31 2023 include prepayments received from Group customers in respect of upcoming deliveries. In the consolidated cash flow statement, the change in customer prepayments (positive cash flow / increase in debt), which amounts to € 267 k, not inclusive of exchange rate effects, is presented as a change in accounts receivable.*

Notes to the Consolidated Financial Statements

The Consolidated Financial Statements of the AgroGeneration Group ("AgroGeneration", "the Group" or "the Company") for the year ended December 31, 2023 were authorized for issue by the Board of Directors on April 29, 2024. These Financial Statements are presented in thousands of euro for all financial years, except for the per-share information.

1. Scope of consolidation

The Group's Consolidated Financial Statements for the year ended December 31, 2023 include the accounts of AgroGeneration SA and of all companies controlled by the Group, as well as companies over which the Group exercises significant influence. Please refer to the Note 30 for the List of consolidated companies.

General information and background

AgroGeneration was created in March 2007. The parent company is a Joint Stock Company (AgroGeneration SA) recorded on the Paris Trade and Companies Register with number 494 765 951, whose shares have been listed on the Alternext market of NYSE-Euronext Paris since March 1, 2010.

The registered office address is 19 boulevard Malesherbes, 75008 Paris.

The information on ownership and governance is presented in the Note 28.1.

2. Major events of the period

2.1. Military invasion of Ukraine and Going concern risks

On 24 February 2022, Russian Federation launched a full-scale military invasion of Ukraine, followed by intense military actions unfolded in a number of regions of the country, mainly in the East and in the South of Ukraine. As of the date of this consolidated financial statements publication, the war is ongoing causing further damages to the entire economy of the Ukraine and to its separate industries, including agriculture. According to the latest available estimates, total value of damages to the Ukrainian agricultural sector due to war amounts to over $80.0 billion, out of which $10.3 billion are direct losses of the sector. The most of direct losses ($5.8 billion) were caused by stolen, destroyed and damaged agricultural machinery and equipment.

Ukraine. Agriculture. The Amount of Direct Losses in the Sector *(as of January 2024)*

	B USD	Details
Machinery and equipment	5.8	181k units of agricultural machinery were damaged or destroyed (tractors, seeders, harrows, etc.)
Finished agricultural produce	2.0	more than 4M tons of grains and oilseeds
Storage capacities	1.8	over 11M tons of simultaneous storage capacity were fully destroyed
Other losses	0.7	
Total Estimated Direct Losses	**10.3**	

Source: KSE Institute

In addition to the direct losses, there are also indirect losses (e.g., reduced production, sharp decline in crop prices, disruption of exports, increased production costs, land damage and the need for reclamation, etc.), which are currently estimated at $69.8 billion. In this category, the main losses are associated with a decrease in crop production, which is almost half of all indirect losses ($34.3 billion).

The second-largest category of losses stems from a decline in domestic prices, amounting to $24.1 billion, constituting nearly 35% of total losses. Export interruptions resulting from the naval blockade imposed by the Russian Federation have considerably disrupted logistics routes for Ukrainian agricultural exports. This diminished demand for agricultural commodities in the domestic market, heightened logistics expenses, and consequently led to a significant drop in domestic prices. A safe corridor agreement brokered by the United Nations and Turkey in late July 2022, which allowed exports to resume, was terminated in a year, in mid-July 2023, when Russia withdrew from the agreement and stepped up attacks on Ukraine's grain infrastructure. Although the maritime corridor established by Ukraine after grain agreement termination has augmented Ukrainian export capability, the disparity between domestic and global prices remained substantially higher than pre-invasion levels, indicating a persistent impact of the invasion on domestic prices. Furthermore, the embargo on exports of specific agricultural goods (including wheat, corn, rapeseed, and sunflower) by five neighboring countries (Poland, Bulgaria, Hungary, Romania, and Slovakia), imposed in the first half of 2023 and still in effect at the time of this report, further constrained the export capabilities of Ukrainian agricultural producers, contributing to a decrease in crop prices.

Another consequence of the Russian invasion of Ukraine for agricultural producers was the rise in input prices, mainly for fuel and fertilizers. The losses due to higher production costs over the last two years were estimated at $4.4 billion as of late 2023. According to the available estimates, in the fall of 2023, fertilizer application was estimated at half the level of agronomic needs, and plant protection products were around 56% of the needs in Ukraine. Many of Ukrainian agricultural producers abandoned original chemicals and switched to cheaper generics.

It is also difficult to assess the consequences of contamination of agricultural land with explosive objects, destruction of the upper layers of soil due to "landings" and explosions during demining. According to the Ukrainian government latest available estimates, as of early 2024, around 156,000 km^2 of Ukrainian land (around 26% of total country's land area) were potentially contaminated with explosives. Thus, mine clearance is one of the biggest challenges for farmers doing business in Ukraine. According to World Bank, the essential demining of agricultural land in Ukraine is projected to require approximately $1.5 billion. Without the necessary surveying and demining efforts, farmers are unable to utilize such lands.

Considering the extensive damage and losses experienced by agricultural producers in Ukraine, the total reconstruction and recovery requirements for the next decade reach $56 billion. Priority needs for 2024 are projected at $435 million, with the majority already addressed through donor funding.

AgroGeneration, which production assets are located in the close proximity to the theater of military activities, continued to suffer from military invasion by Russian troops in 2023. Although, fortunately, there were no direct damages to the Group's assets throughout the reported year, the Group's performance was affected by already discussed dramatic crop prices reduction and further increase in production costs. In addition, business operations were constantly under pressure of regular missile and artillery strikes from Russia. Throughout 2023, the Kharkiv region experienced an average of five air alerts daily, lasting up to four hours in total. In early 2024, the intensity of the attacks heightened, with seven air alerts daily on average, lasting over seven hours per day in total.

Despite the existing challenges, in 2023, the Company continued to do everything possible to ensure the smooth operation of all the Group's farms within its scope and to provide continuity to the Group's activities, namely:

- In 2023, the total net production volume of AgroGeneration came to 72.5k tons (vs. 79.7k tons in 2022). A reduction in harvest was mostly attributed to the change in the crop mix towards less productive sunflower (vs. winter wheat and corn), caused by under-sowing of winter wheat in autumn 2022. The Group's farms were fully supplied with the necessary materials for field work within the year. The operating land bank of the Company remained unchanged during the year and equaled c.a. 30,000 ha.
- Throughout 2023, the Group completed sales of its prior year 2022 harvest and was engaged in 2023 crop sales. To the date of these consolidated financial results publication, the Group has sold around 96% of its 2023 harvest. Due to the listed earlier external factors limiting the Group's export potential, the major part of the Group's 2023 harvest was sold on the domestic market at lower than planned crop prices.
- In 2023, the Company did not attract external banking financing. Thanks to 1.7M USD short-term trading financing from one of the chemicals suppliers negotiated in early 2023 and wise

management steps executed towards adaptation of the business activities to the war realities, the management of the Company was able to cover all operational expenses, including execution of 2023 sowing and harvesting campaigns. As of the date of these consolidated financial statements publication, a limited number of banks and trading partners in Ukraine were considering providing external financing to the businesses in the regions close to the combat zone (incl. the Kharkiv region).

- In 2023, the Group continued to provide support to its employees and their families, as well as to the defenders of Ukraine. The Group's key personnel and top managers continued working remotely taking into account highly volatile situation with regular missile and artillery strikes in the main offices location of the Group (the Kharkiv and Kyiv regions).
- As of the date of these consolidated financial results publication, the Group has been fully engaged with the new 2024 crop season. As earlier published, in August-September 2023, AgroGeneration successfully executed winter winter sowing campaign with over 14k hectares sown with winter wheat. The condition of wheat was good as of the date of this report. In mid-April 2024, the Group has already started spring sowing campaign within all its farms. Adequate reserves of seeds, fertilizers, fuel, chemicals, and other essential inputs required for the sowing areas have been secured, alongside the necessary vehicles, agricultural machinery, and workforce. As previously communicated, AgroGeneration anticipates a gradual return to the balanced crop mix observed before the onset of the war. Consequently, in 2024, it is expected that approximately 50% of the crop area will be dedicated to wheat, with around 30% allocated to sunflower cultivation, compared to 74% in 2023, other crops are planned to be presented by soy, corn, and peas. The total area under cultivation is projected to reach approximately 28.6k hectares.

Management have prepared updated financial forecasts, including cash flow projections, for the twelve months from the date of approval of these financial statements, taking into consideration most likely and possible downside scenarios for the ongoing business impacts of the war. The developed forecasts were built based on the following key assumptions:

- further development of the war and the military invasion of Ukraine will enable utilization of existing Group's production facilities;
- ability to run harvesting and sowing campaigns on currently managed Group's land bank (around 30k hectares);
- all of the Group's assets available for the date of the forecasts development remain safe and in good condition;
- existing logistic routes will continue to be available;
- remaining 3rd party storage capacities will continue to be available;
- the Group will be able to procure sufficient levels of inputs (seeds, fertilizers, plant protection materials, fuel and other inputs for grain growing) for 2024 and 2025 crop seasons;
- the Group is considering additional external financing from banks or trading partners in 2024 to finance operating activities of the Group.

These forecasts indicate that, taking into account the reasonably possible downsides, the Group has adequate resources to continue its operations within its scope (of c.a. 30,000 hectares) for the foreseeable future. Management acknowledges that future development of military actions and their duration represent a single source of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to sell its assets and discharge its liabilities in the normal course of business. The recoverability of Group's assets, as well as the future operations of the Group, may be significantly affected by the current and future macroeconomic environment. The full extent of the impact of further development of military actions on the Group's business is unknown, but its magnitude might be severe, as the war is ongoing as of the date of these statements publication. Despite the single material uncertainty relating to the war in Ukraine, management is continuing taking actions to minimize the impact on the Group and thus believes that application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

3. Financial risk management

3.1. Geopolitical risks in Ukraine

The Group conducts most of its operations in Ukraine. The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, relatively high level of inflation, and some imbalances in the public finance and international trade.

Until February 2020, the Ukrainian economy was in a robust macroeconomic state thanks to the successful implementation of a reform program, with declining public debt, falling inflation and positive growth forecasts. But the Covid-19 outbreak and associated lockdown measures resulted in an economic downturn with visible negative impact observed by the end of 2020. Ukrainian economy returned back to growth in 2021, overcoming negative implications of COVID-related restrictions. Still, since February 2022, Ukraine is facing another sharp economic and geopolitical downturn on the back of Russian invasion of Ukraine launched on February 24th , 2022 with impacts which cannot be accurately assessed for the moment as the war is ongoing in Ukraine to the date of this publication.

In February 2022, Russian forces commenced a military invasion of Ukraine resulting in a full-scale war across the country. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. By February 2024, up to 6.5 million refugees from Ukraine were recorded globally with around 6.0 million individual refugees from Ukraine recorded across Europe. According to United Nations, the highest concentration of refugees under temporary protection status is presently found in Germany and Poland, with over 1.1 million and approximately 1.0 million Ukrainian refugees registered, respectively. Up to 3.7 million people remained internally displaced in Ukraine to the date. An estimated 14.6 million people in Ukraine will need humanitarian assistance in 2024.

Russia's military has damaged and destroyed Ukrainian power stations, infrastructure and agriculture, causing billions in damage. Current estimates of direct and indirect losses to Ukraine from Russian aggression launched in February 2022 equal to up to $500-$600 billion. As of January 2024, the Kyiv School of Economics estimated that the total amount of documented direct damage to Ukraine's infrastructure had increased to over $155 billion. Recovery is expected to take at least a decade, and the total cost is estimated to be between $486 billion and $1.1 trillion.

Ukraine. The amount of Direct Losses as a Result of the Russian Invasion *(as of early 2024)*

	B USD	Details
Housing	58.9	250k objects
Transport infrastructure	36.8	18 airports and civilian airfields; 126 railway stations and train stations; 344 bridges and bridge crossings; more than 25,000 km of state and local highways and municipal roads
Business assets	13.1	at least 426 large and medium-sized private enterprises and state-owned companies
Agriculture	10.3	
Energy	9.0	of which 683M USD is a direct loss from the flooding of southern Ukraine
Educational sphere	6.8	up to 3,800 educational institutions were destroyed mostly in the Kharkiv, Donetsk, Chernihiv, Zaporizhzhia and Kyiv regions
Social sphere	6.2	incl. science and healthcare facilities (1,300 objects), cultural facilities, sports facilities and administrative buildings
Other direct losses	15.4	incl. utilities, forests, transport, digital infrastructure, others
Total Estimated Direct Losses	**156.5**	

Source: KSE Institute

The Ukrainian economy has lost around 30% of GDP in the year following Russia's invasion in 2022 on the back of almost complete suspension of business activity during the first months of the invasion, fuel crisis, rapid decline in exports (due to the seaports blockade), disruption of logistics chains, shelling of energy infrastructure. According to the Ministry of Finance of Ukraine, this was the largest loss in economic activity that the country had experienced since its independence in 1991. Despite the continued fighting, the country's economy has started to stabilize in the first half of 2023. A number of reasons fueled mentioned recovery:

- Ukrainian business and households recovered from the shock of the war faster than expected.

- The restoration of electricity supply by spring 2023, as well as the establishment of logistics through land corridors, helped to return the industry and the agricultural sector to normal.

- Consumer price growth slowed dramatically. In addition to the factors mentioned above (recovery of business activity, elimination of the energy deficit), the price situation was favorably affected by cheaper fuel, increased supply of food products (including imported ones) and unchanged utility tariffs. In addition, the National Bank of Ukraine (the NBU) stopped issuing hryvnia, which made a major contribution to the inflationary spiral in 2022.

- Ukraine continued to receive funding from abroad. Since the beginning of war in Ukraine, international organizations (IMF, EBRD, EU, World Bank), along with individual countries and charities, have provided Ukraine with bilateral and concessional financing, donations and material support. According to Ministry of Finance of Ukraine, the amount of foreign financing in 2023 amounted to $42.6

billion (over $30 billion were received in 2022). The need for external financing for 2024 reaches around $37 billion.

- The National Bank of Ukraine effectively stabilized the foreign exchange market, demonstrating its ability to manage currency fluctuations. Since the start of the summer in 2023, the cash market exchange rate has closely aligned with the official rate, consistently remaining below 38 UAH/$. This development prompted the NBU to transition to a system of managed exchange rate flexibility from October 2023. Under this approach, the official exchange rate is determined based on interbank market dynamics rather than rigid policy dictates. Through interventions in the interbank market, the NBU addressed currency demand, leveraging its ample foreign exchange reserves, which stood at over $40 billion by the end of 2023. This strategy has effectively mitigated structural currency shortages and significantly smoothed exchange rate fluctuations.

According to preliminary data from the State Statistics Service of Ukraine, the Ukrainian economy grew by 5.3% in 2023 compared to the previous year, when the figure fell by 28.8% yoy. The National Bank of Ukraine maintained its forecast for Ukraine’s GDP growth in 2024 at 3.6% and updated its expectations for 2025 to 5.8% yoy. According to the NBU, Ukraine’s government debt increased to 90.4% of the country’s GDP in 2023 (vs. 81.6% in 2022 and 48.9% in 2021). According to the latest IMF's forecasts, in 2024, the government debt will increase to 96.7% of the country's GDP, and by 2025 it will reach 98.5% of GDP. The figure for 2025 will be the peak. The country’s budget deficit reached -27.0% in 2023 (vs.-16.3% in 2022 and -3.4% GDP in 2021). According to the State Statistics Service of Ukraine, inflation rate in Ukraine came to 5.1% at the end of 2023 (vs. 26.6% in 2022 and 10.0% in 2021). The NBU’s latest forecast of inflation in Ukraine in 2024 equaled to 8.6%.

All in all, the pace of the Ukrainian economy recovery and its feasibility, however, is subject to a high degree of uncertainty related to the duration and intensity of the war, which is still ongoing. Further economic growth in the country depends upon the resolving the Russia invasion of Ukraine, maintaining the stability of the country's energy infrastructure (which was again significantly affected by the Russian missile attacks in the first quarter of 2024), further improvement of the situation with the export of Ukrainian products, growth in consumer demand due to improved incomes of the Ukrainian population, maintaining of the international financial support (which was stagnant in early 2024), and upon success of the Ukrainian government in realization of new reforms and recovery strategy (incl. cooperation with the international funds) after stopping the invasion.

The known and estimable effects of the above events on the financial position and performance of the Group in the reporting period have been taken into account in preparing these consolidated financial statements. All farming subsidiaries of the Group are located in the Kharkiv region of Ukraine, where there is a high risk in the further escalation of military conflict, which is already in place since February 2022. Sowings of the Group in 2023 in Kharkiv region represented around 30,000 ha.

Management is monitoring the developments in the current environment and taking actions, where appropriate, to minimize any negative effects to the extent possible. Further adverse developments in the political, macroeconomic and/or international trade conditions may further adversely affect the Group’s financial position and performance in a manner not currently determinable.

3.2. Risks related to changes in the legal and fiscal environment

Ukraine currently lacks a comprehensive legal system allowing it to foster and consolidate a stable market economy. Its fundamental laws are relatively recent, little tested, subject to change and often characterised by ambiguity and inconsistency. While the pace of change of Ukraine's legislative framework is fast, several fundamental laws are still in the process of discussion or adoption by the Ukrainian parliament.

Uncertainties also arise due to the fact that different regulatory authorities can choose to reinterpret an applicable law, particularly in the field of taxation, possibly with retroactive effect. Also, the corpus of law relies on implementing decrees which have often not yet been promulgated, creating legal loopholes or else that have been promulgated with substantial differences in relation to the rules and conditions established by the corresponding law, which generates a lack of clarity and many conflicts between companies and the authorities.

No assurance can be given that the legal and fiscal environment in which the Company operates will become more stable in the near future. Insofar as Ukraine is continuing to develop its corpus of law, some existing laws might change and have a negative impact on the Company.

3.3. Risks related to changes in exchange rates

Incomes and expenses of the Group are partly exposed to changes in exchange rates, particularly the euro, the USD and the hryvnia.

Ukraine operations

Starting July 9, 2012 the National Bank of Ukraine (NBU) fixed the exchange rate for USD / hryvnia at the rate of 7,993 hryvnia per 1 USD. On February 6, 2014 this measure was released and NBU stopped supporting the exchange rate of hryvnia. This measure together with the economic situation resulted in a sharp decline of hryvnia foreign exchange rate which reached 15,77 UAH/USD as of the end of 2014. During 2015 –2021 hryvnia continued its decline. From the very beginning of the Russian invasion in early 2022, Ukraine has had a fixed exchange rate, which has been determined by the National Bank's resolutions all along. As of February 24, 2022, it was 29,3 UAH/USD, but within 5 months, due to high inflation, the National Bank had to lower the official exchange rate to 36,57 UAH/USD, which was in place as of June 2023. Since the beginning of summer 2023, the cash market exchange rate has approached the official rate and has not yet exceeded 38 UAH/$, which allowed the NBU to move to a regime of managed exchange rate flexibility (the official exchange rate will be determined on the basis of the interbank market rate, rather than being set by policy) from October 2023.

The devaluation of hryvnia against the euro was in line with EURO/USD exchange rate.

Ukrainian legislation concerning the hryvnia prohibits the use of most of the exchange rate hedging instruments that are available in other countries. Options, futures, forwards, and swaps are not available in hryvnia. Therefore, AgroGeneration does not actively cover its exposure to fluctuations in the hryvnia on financial markets.

The Group is partially naturally hedged against a risk of change in exchange rate of the hryvnia against the USD. Indeed, in the scope of its operations in Ukraine, crop revenues and some of the Group's costs (seeds, chemicals, pesticides, etc.) are influenced by worldwide commodity market in USD even if denominated in UAH. In case the local price is not automatically adjusted to the international market, the Group has sufficient storage capacity to postpone its sales.

At last, the currency risk in relation to USD denominated liabilities for crop financing is partially mitigated by the existence of USD export sales.

Financial debt

Interest rate risk sensitivity analysis

At December 31, 2023, if interest rates (for both variable-rate and fixed-rate borrowings) at that date had been 10 basis points higher/lower with all other variables held constant, interest expense for the year would have been € 155k higher/lower).

Foreign currency exchange rate sensitivity analysis

The Group's foreign currency denominated monetary assets and liabilities as of December 31, 2023 consist of US dollar denominated cash equivalents, other debts. Other monetary assets and liabilities are not significant.

At December 31, 2023, if the USD had weakened/increased versus EUR by 10 per cent with all other variables held constant, pre-tax profit for the year would have been € 596 k higher / lower.

3.4. Risks related to commodities price changes

Due to the size of its grain production, the Group is exposed to fluctuations of crop prices.

For a few years in a row, agricultural markets have been characterized by high volatility of prices, which depend on world prices which are mainly formed on the stock exchanges of agricultural products. The main factors affecting prices are the climatic factors, the level of energy and inputs prices, and the seasonality of demand.

The market for agricultural commodities in Ukraine is subject to fluctuations in agricultural commodity prices on international markets. It is also subject to conditions of Ukraine's local demand and export capacity, especially when export quota policies are set up, as was the case in 2010. Since Ukraine is a member of the WTO, these quotas are intended to be exceptional and of limited duration, justified only by a significant reduction in production on a country-wide scale. To limit this risk, the Group has developed its own storage capacity enabling it to better manage the pace of commercialization of its production.

Crop prices in 2023 continued to be dramatically affected by the military invasion of Ukraine by Russian troops launched in February 2022, followed by blockade of the Ukrainian seaports, oversupply of grains within the country, damaged transportation routes and overall paralysis of the Ukrainian supply chain.

3.5. Liquidity risks on crop financing

The main liquidity risk arises from the seasonality of agricultural production. Costs and required working capital reach their peak in spring ahead of the harvest. The cash inflows are concentrated in the second half of the year after harvest. The Group remedies this seasonality by expanding its own storage capacity which allows it to sell its production throughout the year. In addition, the management team controls the liquidity risk by monitoring key performance indicators, including those regarding cash flow.

Companies face significant liquidity problems due to poor sources of foreign investment and low lending capacity by the domestic banking system.

No new banking financing has been attracted by December 31st, 2023, since the war factor and location of the Group's farmlands in the Kharkiv region (at the frontline) create limitations in the amounts and sources of the external financing. As of the date of publication of these Financial Statements, the Group continues negotiations with the Ukrainian banks and other potential investors to secure the working capital needs for the new 2024 crop production season.

3.6. Counterparty risks

The Group is exposed to credit risks through its cash and cash equivalents, which are kept in current accounts and with financial institutions (local banks), its supplier credit and customer credit, which includes commitments towards third parties. Credit risks are not concentrated in a particular counterparty. Although the company receives lines of credit from many input suppliers during the season, there is no line of credit secured in advance by the company because the Group manages its positions on a case by case basis.

3.7. Capital repatriation risks

Risks related to repatriation of capital come from the investments in its Ukrainian subsidiaries. To date, foreign groups are able to repatriate their capital through dividend payments or the repayment of shareholder loans without tax implications. AgroGeneration historically used to finance most of its investments in Ukraine via shareholder loans, normally through its Cypriot entities. The capital repatriation risks are linked to these investments. Possible changes in the political environment in Ukraine or in Cyprus could lead to restrictions on repatriation of capital invested in this country. Particularly, a number of temporary administrative restrictions on currency transactions and cross-border movement of capital were introduced by the National Bank of Ukraine (NBU) with the Russia Federation' full-scale military invasion of Ukraine in February 2022.

4. Critical accounting judgments and estimates

The preparation of Consolidated Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are those listed further in the section.

Estimates and judgments are continually evaluated on the basis of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1. Impairment test on intangible assets

Intangible assets are tested for impairment at each balance sheet date and whenever there are indications of impairment. The outcome of this exercise is highly sensitive to certain assumptions (weighted average cost of capital, fluctuation of the commodities price, yields).

4.2. Fair value of biological assets and net realisable value of agricultural produce

The Group's biological assets are measured at fair value less costs to sell at each balance sheet date. The fair value of biological assets varies according to climatic conditions during growth and harvest, yield potential and price development. A change in any of these estimates could lead to a material change in the income statement. If the management team's assumptions as of December 31, 2023, would have been by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 597 k.

The agricultural produce harvested by the Group is first fair valued at the harvest date when accounted for in inventory in the "Agricultural produce". They are later revalued at the lower of that fair value and the net realizable value at the balance sheet date. The value used for agricultural produce in the assessment of fair value at harvest time and subsequently for the net realizable value at the balance sheet date is determined based on the actual prices less costs to sell at the point of harvest and contract prices on the presold crops.

4.3. Equity-settled share-based transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

4.4. Fair value of fixed assets

Starting from January 1, 2015 the Group applies revaluation model to its tangible assets situated in Ukraine, such as buildings, constructions, machinery and equipment and other assets.

Under this model, property is carried at fair value less any subsequent accumulated depreciation and impairment losses. An impairment loss is recognized in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Estimating the fair value of property requires the exercise of judgment and the use of assumptions. At each reporting date, the Group carries out a review of the macroeconomic factors such as, inflation rate in

Ukraine and depreciation of UAH, to determine whether the carrying amount of tangible assets differs materially from fair value.

Based on the results of the review, the Group conducted revaluation of tangible assets in late 2023 with overall net positive effect on the value of the carrying amount of building, constructions, machinery and equipment and other tangible assets in amount of €6.2 million as of December 31, 2023.

5. Operational restructuring: partial asset liquidation

In 2022, on the back of the Russian invasion of Ukraine started in February and still ongoing, around 25,000 hectares of the Group's farmlands with fixed assets and related production infrastructure on mentioned farmlands were recognized by the Management to be "toxic", as their value strongly decreased, being (i) destroyed or damaged on the back of military activities, (ii) located near the frontlines with no access to them and inability to use such assets (including extensive mining), (iii) assets, for which the Company incurred expenses or increased liabilities but was unable to use such assets. "Toxic" assets included agricultural equipment, fixed assets and real estate, inventory and land assets. Four production farms out of six comprising the Group had such "toxic" assets with different amounts of asset loss. The described "toxic" assets were not operated by the Group in 2022 and were not prepared to be operated during the coming production seasons. Still, the Company was required to continue accruing "toxic" farmlands lease cost, paying it or creating financial reserves for these obligations on annual basis (over $2M per year, or over $6M for the next three years). In addition, such farmlands required substantial expenses for their restoration, including cost of de-mining and re-cultivation, and capital expenditures into machinery and production infrastructure renewal. The Management assessed the total costs for maintenance (incl. land lease cost) and restoration of the "toxic" assets at over $50M.

The restructuring procedure seemed to be the sole option that the Group had, beside a massive injection of cash. The other option would be to wait on possible states' subsidies at the end of war, not under discussion yet.

The purpose of the restructuring was to completely write off from the balance sheet of the Group assets, property, property rights and related obligations, etc., which were damaged, lost or otherwise negatively affected after February 24, 2022 during the martial law as a result of the armed aggression of the Russian Federation.

The list of entities that were the subject to further liquidation included Donets farm, Burlutske farm, newly created Barvinkivska Agro and Podolivska Agro companies (to which the "toxic" assets that were initially recognized on the balance sheets of the Podolivska and Barvinkivska farms were transferred). The scope of operating leased lands derecognized in the process of reorganization represented around half of the original 56 thousand hectares operated by the Group at the beginning of the year 2022 before the war.

A tender for the selection of a liquidator company was conducted in September 2022. In early October 2022, the contract with the chosen liquidator company was signed.

As of December 31st, 2022, these 4 companies (including Burlutske and Donets) were not included into consolidated legal structure of the Group. Group liabilities were valued at $1.1M to be paid to the liquidator company for the liquidation execution. These liabilities have been settled during 2023.

Total net loss of damaged assets and resulting reorganization were represented in the Consolidated financial statements for the year 2022 as follows:

Losses, expenses and other effects as the result of war (in thousands of Euros)	2022
Direct material losses and costs caused by war (fixed assets, bio-assets and work in progress, inventory stocks, charity)	(15 528)
Costs incurred on the liquidation procedure	(1 130)
Total losses and costs incurred in 2022 as the result of war	**(16 658)**
Less positive effect of reduction of the Right of Use Land Liabilities, net	1 210
Net loss on the war damages and resulting de-recognition	**(15 448)**

During 2023 the Group continued to incur costs caused by war, particularly charitable activities and the payments to mobilized employees of the Group. These costs amount to 197 kEUR and are recognised in the Other income and expense (ref Note 25).

6. Events after the balance sheet date

6.1. Trade financing

In the first quarter of 2024 Group companies attracted short-term trade financing from long-standing partner – Agropetsinvest company. The partner supplied agricultural materials in first quarter with the deferral of repayment till 1st December 2024. In the framework of this trade financing AgroGeneration SA stood the Corporate Guarantee for the reimbursement of the supplier debt of 0.7M USD.

6.2. Escalation of attacks on Ukrainian frontline areas

Since the beginning of 2024, Russia has significantly intensified its military attacks on Ukrainian cities. According to available data, over the first three months of the year, Russia has struck Ukraine with more than 1,200 Shahed drones, c.a. 400 missiles of various types, and over 3,000 guided bombs. Almost all missiles, drones, and bombs have hit civilian targets and infrastructure. The energy facilities of Ukraine were the focus for the Russian latest attacks, with much more severe consequences for the Ukrainian energy system than the attacks of the previous two years. Restoration of the damaged energy infrastructure will require significant costs and time. The situation is particularly difficult in the frontline areas, including Kharkiv region, where blackout schedules have been enacted while Russia has continued to attack the area on a daily basis. This situation in Ukraine's energy system may have significant negative consequences and impact on the Ukrainian economy, the scope of which cannot be predicted at this time, given the fact that Russia continues to launch massive missile attacks on cities across the country. Currently available forecasts for the macroeconomic situation in Ukraine do not take into account the aforementioned massive shelling of energy infrastructure, and therefore may be subject to significant revision.

7. Summary of significant accounting policies

The principal accounting policies applied are summarized below.

7.1. Basis of preparation and changes in accounting policies

AgroGeneration's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU) as of December 31, 2023. They comprise (i) the IFRS, (ii) the International Accounting Standards (IAS) and (iii) the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

The Group's Consolidated Financial Statements include the Financial Statements of AgroGeneration and those of all its subsidiaries as of December 31, 2023. The Financial Statements of the subsidiaries are prepared for the same accounting period as those of the parent company and are based on the same accounting policies.

The IFRS accounting policies used by AgroGeneration in the preparation of these Consolidated Financial Statements as of December 31, 2023 are the same as for 2022 ones presented, except for those pertaining to the effect of the new or amended standards or interpretations detailed below.

Standards and amendments pronouncements in the European Union for financial period beginning on January 1, 2023

- IFRS 17 – Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023).
- Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9 (applied for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 — Comparative Information (applied for annual reporting periods beginning on or after 1 January 2023)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) – Application of the exception and disclosure of that fact (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (applied for annual reporting periods beginning on or after 1 January 2023). *Endorsed for use in the EU, however, as practice statements are not endorsed for application in the EU, the amendments to IFRS Practice Statement 2 have not been endorsed.*

Standards and amendments pronouncements in the European Union for financial period beginning on or after January 1, 2024

New or revised standards

Endorsed by EU

Amendments to the standards

Endorsed by EU

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (applied for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 1 – Non-current Liabilities with Covenants (applied for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (applied for annual periods beginning on or after 1 January 2024)

Not yet endorsed by EU

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (applied for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 21 – Lack of Exchangeability (applied for annual reporting periods beginning on or after 1 January 2025)

These standards did not have and are not expected to have material effect on the Group's financial statements.

In 2021 the Group has changed its accounting policy for finance lease liabilities and correspondent right-of-use assets in accordance with IFRS 16. This modification provides to include the full actual land lease payment, as opposed to contractual only, to the measurement of right-of-use assets and lease liabilities.

7.2. Consolidation

(a) Subsidiaries

All the subsidiaries in which the Group exercises control are fully consolidated. Control exists when all the following conditions are met:

- power over the subsidiary;
- exposure, or rights, to variable returns from its involvement with the subsidiary;
- the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group does not exert joint control over any of the entities within its scope of consolidation as at December 31, 2023.

All intercompany balances and transactions as well as income, expenses and unrealised gain/losses, which are included in the net book value of assets, which derive from intercompany transactions, are fully eliminated.

(b) Accounting for business combinations

The acquisitions of subsidiaries from third parties (which constitute Business Combination under IFRS) are accounted for using the acquisition method. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at fair values.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired subsidiary, and the fair value of the Group's previously held equity interest in the acquired subsidiary (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

In case identifiable net assets attributable to the Group, after reassessment, exceed the cost of acquisition, the difference is recognized in the Consolidated Income Statement as a bargain purchase gain.

7.3. Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of each Group entity are measured using the currency of primary economic environment in which the entity operates ("the functional currency").

The functional currency of the parent and Cypriote subsidiaries is the euro (EUR) and the functional currency of Ukrainian subsidiaries is the hryvnia (UAH).

The presentation currency of the Consolidated Financial Statements is the euro (EUR).

(b) Foreign transactions

Foreign currency transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as financial income and expense in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Long-term intercompany loans to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are classified as net investments in the foreign operation.

Where a subsidiary that is a foreign operation repays a net investment loan but there is no change in the parent's proportionate percentage shareholding, cumulative translation adjustment is not reclassified from other comprehensive income to the income statement.

(c) Translation of Financial Statements expressed in foreign currencies

The income statements and statements of financial position of all Group entities that have a functional currency different from the presentation currency (none having a currency of a hyperinflationary economy as of December 31, 2023) are translated into the presentation currency as follows:

- Assets and liabilities of the statement of financial position are translated at the exchange rate of closing date,
- Revenues and charges in the income statement are translated at exchange rates at the dates of the transactions (for practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the average exchange rates for such an accounting period, if such translations reasonably approximate the results translated at exchange rates prevailing on the dates of the transactions),
- Residual foreign exchange differences are recognized in a separate component of equity.

The exchange rates used for translating Financial Statements of subsidiaries in Ukraine are the following:

	December 31, 2023		December 31, 2022	
Monetary unit per € 1	**Average**	**Average**	**Average**	**Closing**
Ukrainian Hryvnia (UAH)	39,56	42,21	34,00	38,95
American Dollar (USD)	1,08	1,11	1,05	1,07

The rates used for the hryvnia and the U.S. dollar are those of the National Bank of Ukraine ("NBU") in force.

Exchange rate differences on a monetary item forming part of the net investment of the entity presenting the Financial Statements in a foreign operation are recognised in other comprehensive income and reclassified from equity to Income Statement upon partial or total disposal of this net investment.

Goodwill and fair value adjustments recognised in the acquisition of a foreign entity are recognised as assets and liabilities of the foreign entity and translated at closing exchange rate.

7.4. Intangible assets

The main intangible assets recognised are goodwill and leasehold rights. These have been recognised as part of the business combination process.

Subsequent to initial recognition goodwill is recognized at initial cost less accumulated impairment losses, if any.

Cash-generating unit (CGU) for the goodwill impairment test was determined to be equal to the operating segment "Ukraine".

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

7.5. Property, plant and equipment

Starting from January 1, 2015 the Group applies revaluation model for fixed assets situated in Ukraine. Under this model, fixed assets are carried at fair value less any subsequent accumulated depreciation and impairment losses.

Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the date of reporting period.

The acquisition cost of the tangible fixed assets includes all the expenses directly attributable to the acquisition of the fixed assets. Subsequently capitalized costs include major expenditures for improvements and replacements that extend the useful lives of the assets or increase their revenue generating capacity. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The carrying amount of the replaced limited-life component is derecognised.

Fixed assets are depreciated over their estimated useful lives:

- Buildings 10 – 55 years
- Machinery and equipment 5 – 30 years
- Other tangible assets 3 - 30 years

Production facilities represent immobile agricultural production equipment, mainly dryers and cleaners. Machinery and vehicles include other mobile agricultural equipment (tractors, combines, harvesters, seed planters, trucks etc.).

The assets’ useful lives are reviewed, and adjusted if appropriate, at each financial year-end. The effect of any changes from previous estimates is accounted for prospectively as a change in an accounting estimate.

The gain or loss arising on a sale or disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Construction in progress comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction. Construction in progress is not depreciated. Depreciation of construction in progress commences when the assets are available for use, i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management.

On the subsequent sale or retirement of revalued assets, the revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

7.6. Impairment of non-financial assets

Non-financial assets other than goodwill are reviewed for possible impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognized immediately in the Consolidated Income Statement unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

7.7. Agriculture

(a) Definitions

The Group accounting policies for agricultural activities are based on IAS 41 "Agriculture".

Agricultural activity is defined as a biological transformation of biological assets into agricultural products or into other biological assets.

Group classifies following biological assets: crops in field and livestock.

Agricultural produce are the products of the harvest of biological assets of the Group and produce received from cattle breeding, i.e. harvested grain that is stored, milk, meat and other livestock produce.

The Group recognizes a biological asset or an agricultural produce when the Group controls the asset as a result of past events, and it is probable that future economic benefits associated with the asset will flow to the Group, and the fair value or cost of the asset can be measured reliably.

(b) Biological assets

Biological assets are measured at initial recognition and at each balance sheet date at their fair value less costs to sell, with any resulting gain or loss recognized in the income statement. Costs to sell include all costs that would be necessary to sell the assets, including costs necessary to get the assets to market.

Biological assets are measured using the present value of expected net cash flows from the sale of an asset discounted at a current market determined rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset. The difference between fair value less costs to sell and total production costs is allocated to biological assets held in stock as of each reporting date as a fair value adjustment.

Based on the above policy, the principal groups of biological assets are stated as follows:

(i) *Crops in fields*

The fair value of crops in fields is determined by reference to the discounted cash flows that will be obtained from sales of harvested crops, with an allowance for costs to be incurred and risks to be faced during the remaining transformation process.

The fair value of plant-growing Biological assets is determined based on, among other estimates, weather conditions, quality of soils, growth potential, yields, harvest conditions and price development.

As of December 31, 2023, the Group had identified for each type of plant growing biological asset their respective principle market, and measures their fair value based on the following:

in determining prices

- Management assessment of future prices at the date of harvest reconciled to the Ukrainian FOB prices or Western markets offset prices on the balance sheet date. These prices have been reduced by fobbing and transport costs.

in determining yields

- Management assessment of future yields for crop based on the most relevant recent data from the crop surveys carried out in the fields.

Given the nature of these input parameters, the fair value of the biological assets is categorised as Level 3 as defined by IFRS 13. Change in any estimates could lead to recognition of significant fair values changes in income statement.

Biological assets are recorded as current or non-current assets based on the operational cycle of the Group's biological assets.

(c) Agricultural produce

Agricultural produce harvested by the Group is initially measured at the time of harvest at its fair value less cost to sell at the point of harvest. It is subsequently recorded as inventory in "Agricultural produce" and stated at the lower of fair value at the time of harvest and net realizable value. This valuation at net realizable value is presented in the form of inventory depreciation. ("Change in fair value of finished goods", cf. Note 15).

The value of agricultural produce used for the assessment of fair value at the time of harvest and subsequent net realizable value is determined based on the actual prices less costs to sell at the point of harvest and contract prices on the presold crops.

(d) Work in progress (inventory of work in progress)

Work in progress is represented by the costs of preparing the land which has not been sown at balance sheet date (case of spring plants in Ukraine – corn, soybean, sunflower, etc. – when valued as of December 31). The soil preparation costs are measured on the basis of the historical costs incurred by the Group.

7.8. Leases, Right-of-use assets and lease liabilities

Leases are recognized, measured and presented in line with IFRS 16 *Leases.* The Group recognizes a right-of-use assets and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability if initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under the purchase option that the Group is reasonably certain to exercise, lease payment in an optional renewal period if the Group is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases with lease term of 12 months or less, without any purchase option). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Amounts recognized in profit or loss

(in thousands of Euros)	2023
Interest on lease liabilities	1 518
Income from sub-leasing right-of-use assets	92
Expenses relating to short-term leases	12

Amounts recognized in the statement of cash flows

(in thousands of Euros)	2023
Total cash outflow for leases	3 641

7.9. Government grants

An unconditional government grant is recognised as income when the government grant becomes receivable.

If a government grant is conditional, the Group recognises the government grant as income when the conditions attaching to the government grant are met (area-aid environmental subsidies) and until then aid received is recognised as a liability.

7.10. Inventories

(a) Raw material and other supplies

Inventories are stated at the lower of cost and net realizable value. Costs comprise raw materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present locations and condition.

Cost is calculated using the weighted average cost method. Net realizable value is determined as the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(b) Finished goods (agricultural produce)

Cf. note 7.7 (c) – Agriculture.

(c) Work in progress

Cf. note 7.7 (d) – Agriculture.

7.11. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the exercise of new options are recorded directly in equity as a deduction from the issue premium, net of tax effects.

7.12. Current and deferred income tax

(a) General tax treatment

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income.

The tax rates applicable on December 31, 2023 are 25% in France, 18% in Ukraine (see (b) Agricultural tax schemes for agricultural concerns in Ukraine) and 12,5% in Cyprus.

Tax reform measures in France (2016) already provided for a progressive reduction of the ordinary corporate tax rate from 33,33% to 28%. The Finance Law for 2018 provides for a further progressive reduction of the corporate income tax rate to 25%, fully applicable for financial years opened in 2022. The schedule for phased-in application of the progressive reduction will be as follows:

- For financial years opened as from 1 January 2020, the 28% rate of corporate income tax has become the new "ordinary rate" (for all profits).
- For financial years opened as from 1 January 2021, the ordinary rate of corporate income tax has been reduced to 26.5%.
- For financial years opened as from 1 January 2022, the ordinary rate of corporate income tax will be reduced to 25%.

The deferred tax is determined using the tax rate and the tax regulations in effect or in effect in essence at the balance sheet date and which are likely to be applied when the deferred tax assets will be used or when the deferred tax liability will be paid.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

However, the deferred tax is not accounted for if at initial recognition of an asset or a liability at the time of a transaction other than a business combination the transaction has no implications for the accounting income or the taxable income.

Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when:

- The Group has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities;
- The Group has an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously;
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

(b) Agricultural tax scheme for agricultural companies in Ukraine

In Ukraine, a company is considered to be a farming company if at least 75% of its revenues from the previous fiscal year arise from the sale of agricultural products. In this case, a farming company enjoys special regime on corporate income tax.

Starting from January 1, 2017, the privileged VAT regime for agricultural companies has been cancelled. For more detailed refer to the Consolidated Financial Statements as of December 31, 2016.

Corporate income tax: agricultural companies are not subject to corporate income tax but to the tax on land which is calculated on the basis of a percentage of the value of the land used for agricultural production. The related corresponding costs are classified in "Cost of sales".

Among the 7 legal entities that the Group controls in Ukraine as of December 31, 2023, 4 are involved in agricultural production and are eligible for the special tax regime for agricultural companies in Ukraine in 2023.

7.13. Employees benefits

(a) Pension obligations

The Group does not operate any significant pension schemes. The contributions to the local pension funds are treated as defined contribution benefits.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

7.14. Provisions

Provisions must be recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

7.15. Revenue

Revenue represents the proceeds from ordinary business activities. These proceeds are measured at fair value of the counterparty received or to be received for the sale of goods or services in the scope of the Group's typical operations.

The proceeds from typical operations presented for the Group's Ukrainian activities exclude the VAT collection on sales.

These same proceeds from agricultural operations are presented net of discounts and rebates, and after elimination of intra-Group sales.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.
The following specific recognition criteria must also be met before revenue is recognized:

- Sale of Goods and Finished Products – Revenue is recognized when the significant risks and rewards of ownership of goods for resale and finished products have passed to the buyer, the amount of revenue can be measured reliably and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of transfer of risk, which may occur at delivery or shipment, varies for contracts with different types of customers.
- Rendering of Services – Revenue is recognized in the accounting period in which services are rendered.

The Group's main revenue arises from the sales of agricultural produce.

7.16. Share-based payment

The fair value of services assumed to have been received in exchange for the equity instruments (warrants) issued is recognised as an expense in the income statement and in other reserves in equity during the vesting period (from the grant date of warrants until the vesting date). The fair value of the services received is determined by reference to the fair value (market value) of equity instruments granted at the grant date.

8. Segment reporting

As of December 31st, 2023, The Group had one operating segment in Ukraine, which was composed of 7 legal entities operating around 30 000 hectares of farmland, as was defined in late 2022 after forced reduction of scope due to the war hostilities. (ref. Note 5 of the Consolidated Financial Statements as of and for the year ended December 31, 2022).

9. Intangible assets and land leases

(in thousands of Euros)	Gross value			Depreciation			Net Book Value		
	Goodwill (1)	Others (2)	Total	Goodwill	Others	Total	Goodwill	Others	Total
December 31, 2021	**18 946**	**404**	**19 350**	**(18 946)**	**(279)**	**(19 225)**	**-**	**125**	**125**
Change in scope	-	-	**-**	-	-	**-**	-	-	**-**
Purchases of assets	-	41	**41**	-	-	**-**	-	41	**41**
Depreciation	-	-	**-**	-	(27)	**(27)**	-	(27)	**(27)**
Exchange rate differences	-	(75)	**(75)**	-	55	**55**	-	(20)	**(20)**
Disposals of assets	-	-	**-**	-	-	**-**	-	-	**-**
Impaired losses caused by war (3)	-	(110)	**(110)**	-	55	**55**	-	(55)	**(55)**
December 31, 2022	**18 946**	**260**	**19 206**	**(18 946)**	**(196)**	**(19 142)**	**-**	**64**	**64**
Change in scope	-	-	**-**	-	-	**-**	-	-	**-**
Purchases of assets	-	29	**29**	-	-	**-**	-	29	**29**
Depreciation	-	-	**-**	-	(12)	**(12)**	-	(12)	**(12)**
Exchange rate differences	-	(22)	**(22)**	-	15	**15**	-	(7)	**(7)**
Disposals of assets	-	-	**-**	-	-	**-**	-	-	**-**
Impaired losses caused by war (3)	-	-	**-**	-	-	**-**	-	-	**-**
December 31, 2023	**18 946**	**267**	**19 213**	**(18 946)**	**(193)**	**(19 139)**	**-**	**74**	**74**

(1) Goodwill – Impairment test: the Group recognised impairment of the goodwill in the full amount of EUR 11,2 million as of December 31 2021. For more details refer to the Note 9 of the Consolidated Financial Statements 2021.

(2) Other intangible assets include administrative software.

(3) Impaired losses caused by war (please refer to the details to the Notes 2.1 and 5 of the Consolidated Financial Statements 2022)

10. Right of use assets (Land)

(in thousands of Euros)	Gross value	Depreciation	Net value
December 31, 2021	**23 362**	**(9 976)**	**13 386**
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(2 403)	(2 403)
Exchange rate differences	(3 952)	1 763	(2 189)
Disposal due to restructuring as the result of war (1)	(9 672)	4 008	(5 664)
Other changes	2 889	706	3 595
December 31, 2022	**12 627**	**(5 902)**	**6 725**
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(1 533)	(1 533)
Exchange rate differences	(1 043)	473	(570)
Disposal due to restructuring as the result of war (1)	-	-	-
Other changes	1 085	1 254	2 339
December 31, 2023	12 669	(5 708)	6 961

(1) Right-of-use assets in respect of land in the area significantly suffered from hostilities of Russian invasion of Ukraine in 2022 that were derecognised within the following operational restructuring procedure (please refer to the details to the Notes 2.1, 5 and 18)

11. Property, plant and equipment

(in thousands of Euros)	Gross value					Depreciation				Net Book Value				
	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Construction in progress and prepayments	Total	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Total	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Construction in progress and prepayments	Total
December 31, 2021 – as restated (Note 5)	**7 373**	**14 938**	**3 176**	**20**	**25 507**	**(865)**	**(4 947)**	**(377)**	**(6 189)**	**6 508**	**9 991**	**2 799**	**20**	**19 318**
Change in scope	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	-
Revaluation to fair value	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	-
Impact of revaluation on depreciation	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	-
Purchases of assets	28	658	45	130	**861**	-	-	-	**-**	28	658	45	130	**861**
Depreciation	-	-	-	-	**-**	(533)	(3 189)	(480)	**(4 202)**	(533)	(3 189)	(480)	-	**(4 202)**
Exchange rate differences	(1 173)	(2 588)	(615)	(18)	**(4 394)**	168	1 117	124	**1 409**	(1 005)	(1 471)	(491)	(18)	**(2 985)**
Disposals of assets	-	(512)	-	-	**(512)**	-	193	-	**193**	-	(319)	-	-	**(319)**
Impaired losses caused by war (1)	(2 748)	(3 969)	(434)	-	**(7 151)**	620	2 083	115	**2 818**	(2 128)	(1 886)	(319)	-	**(4 333)**
Other movements	-	(32)	72	(19)	**21**	-	123	-	**123**	-	91	72	(19)	**144**
December 31, 2022	**3 480**	**8 495**	**2 244**	**113**	**14 332**	**(610)**	**(4 620)**	**(618)**	**(5 848)**	**2 870**	**3 875**	**1 626**	**113**	**8 484**
Change in scope	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	-
Revaluation to fair value	(607)	6 229	491	61	**6 174**	-	-	-	**-**	(607)	6 229	491	61	**6 174**
Impact of revaluation on depreciation	(768)	(5 560)	(612)		**(6 940)**	768	5 560	612	**6 940**	-	-	-	-	**-**
Purchases of assets	26	605	60	8	**699**	-	-	-	**-**	26	605	60	8	**699**
Depreciation	-	-	-	-	**-**	(237)	(1 938)	(469)	**(2 644)**	(237)	(1 938)	(469)	-	**(2 644)**
Exchange rate differences	(269)	(672)	(180)	(2)	**(1 123)**	61	454	77	**592**	(208)	(218)	(103)	(2)	**(531)**
Disposals of assets	(21)	(459)	-	-	**(480)**	18	376	-	**394**	(3)	(83)	-	-	**(86)**
Impaired losses caused by war (1)	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	-
Other movements	-	105	74	(112)	**67**	-	-	-	**-**	-	105	74	(112)	**67**
December 31, 2023	**1841**	**8 743**	**2 077**	**68**	**12 729**	**-**	**(168)**	**(398)**	**(566)**	**1 841**	**8 575**	**1 679**	**68**	**12 163**

(1) Impaired losses caused by war (please refer to the details to the Notes 2.1 and 5)

Property plant and equipment comprise owned and leased assets.

(in thousands of Euros)	December 31, 2023
Property plant and equipment owned	10 484
Right-of-use assets	1 679
Total Property plant and equipment	**12 163**

As of December 31, 2023 the revaluation of the tangible assets was performed by an independent appraiser. The details of revaluation by class of asset are presented below:

(in thousands of euros)

Group of property, plant and equipment	**Effect through revaluation surplus**	**Effect through P&L**	**"Net impact**
Buildings	(445)	(162)	(607)
Machinery and equipment (including leasing)	7 024	(316)	6 708
Other tangible assets	14	(2)	12
Tangible assets in progress	61	-	61
Impact of revaluation as of December 31, 2023	**6 654**	**(480)**	**6 174**
Deferred tax on revaluation	(29)	-	(29)
Net impact of revaluation as of December 31, 2023	**6 625**	**(480)**	**6 145**

The Group leases land and buildings, vehicles and machinery. The information about leases for which the Group is lessee is presented below.

Right-of-use assets

(in thousands of Euros)	**Land**	**Buildings**	**Agricultural machinery**	**Total**
Balance as of December 31, 2021 - as restated (Note 5)	**13 386**	**530**	**2 269**	**16 185**
Transfer to property plant and equipment owned	-	-	-	-
Revaluation to fair value	-	-	-	-
Additions	-	-	45	45
Disposals	-	-	-	-
Depreciation charge for the year	(2 403)	(184)	(296)	(2 883)
Exchange rate differences	(2 189)	(94)	(397)	(2 680)
Impaired losses caused by war (1)	(5 664)	(9)	(310)	(5 983)
Other changes	3 595	72	-	3 667
Balance as of December 31, 2022	**6 725**	**315**	**1 311**	**8 351**
Transfer to property plant and equipment owned	-	-	-	-
Revaluation to fair value	-	-	491	491
Additions	-	-	60	60
Disposals	-	-	-	-
Depreciation charge for the year	(1 533)	(230)	(239)	(2 002)
Exchange rate differences	(570)	(14)	(89)	(673)
Impaired losses caused by war (1)	-	-	-	-
Other changes	2 339	74	-	2 413
Balance as of December 31, 2023	**6 961**	**145**	**1 534**	**8 640**

(1) Impaired losses caused by war (please refer to the details to the Notes 2.1 and 5)

Leases of buildings – mainly represents rent of offices.

Leases of machinery and equipment - represents rent of agricultural machinery.

Land leases – mainly rent of land for agricultural purposes.

12. Financial assets

(in thousands of Euros)	Current		Total
	Other financial assets (1)	Term deposit	Total
December 31, 2021	2 647	44	2 691
Purchases of financial assets	-	86	**86**
Disposals of financial assets	(2 603)	(40)	**(2 643)**
Other transactions	-	-	**-**
Exchange rate difference	(44)	(15)	**(59)**
December 31, 2022	-	75	75
Purchases of financial assets	-	8	**8**
Disposals of financial assets	-	(74)	**(74)**
Other transactions	-	-	**-**
Exchange rate difference	-	(2)	**(2)**
December 31, 2023	-	7	7

(1) As of December 31, 2021 the "Other financial assets" represent investments into Ukrainian domestic government bonds that were redeemed in April 2022.

Reconciliation of movements of financial assets to cash flows arising from financing activities:

(in thousands of Euros)	Financial assets		
	Non-current financial assets	Current financial assets	Total
Balance as of December 31, 2022	-	75	75
Purchase of financial assets	-	8	**8**
Disposal of financial assets	-	(74)	**(74)**
Foreign exchange adjustments	-	(2)	**(2)**
Balance as of December 31, 2023	-	7	7

13. Corporate income tax

13.1. Analysis of Income tax expense – Tax proof

Breakdown of income tax expense is presented below:

(in thousands of euros)	December 31, 2023	December 31, 2022
Current taxes	(1)	(410)
Deferred taxes	31	-
Total income taxes from continued operations - (expense)/gain	**30**	**(410)**

The analysis of the income tax expense reveals the following factors:

(in thousands of euros)	December 31, 2023	December 31, 2022
Accounting profit before tax	(7 938)	(31 185)
Accounting profit before tax	**(7 938)**	**(31 185)**
French corporate tax rate	25,00%	25,00%
Theoretical income tax (expense) / gain	**1 985**	**7 796**
Impact from:		
profit/(losses) of agricultural producers exempt from taxation in Ukraine (cf. Note 7.12)	(1 030)	(4 818)
unrecognised deferred tax assets and unused tax losses	(423)	(662)
permanent differences between accounting profit and taxable profit	77	(702)
used tax losses	-	386
difference between French and foreign tax rates	(579)	(2 410)
Gain / (loss) out of effective taxation	**30**	**(410)**
Income tax (expense) / gain reported in the consolidated income statement	30	(410)

For more details refer to note 7.12.

14. Inventories

	December 31, 2023				December 31, 2022			
(in thousands of Euros)	*Gross Value*	*Depreciation*	*Impairment*	***Net value***	*Gross Value*	*Depreciation*	***Net value***	
Raw materials and other supplies	1 024	(71)	-	**953**	1 471	(83)	-	**1 388**
Works in progress	1 311	-	-	**1 311**	3 611	-	-	**3 611**
Agricultural produce	5 392	-	-	**5 392**	6 756	-	(341)	**6 415**
Total	**7 727**	**(71)**	**-**	**7 656**	**11 838**	**(83)**	**(341)**	**11 414**

Raw materials and other supplies are inputs to be used in the agricultural campaign 2023/2024, including purchased seeds, fertilizers, fuel, spare parts and other suppliers. ***Work in progress*** includes costs accumulated before crop sowing.

As of December 31, 2023, ***agricultural produce*** representing € 5 392k, is substantially made up of 36 037 tons of crops mainly from the 2023 harvest (37 463 tons as of December 31, 2022) (cf. Note 15 Biological assets).

Depreciation represents write-down provisions of inventory to the net realizable value at the reporting date.

15. Biological assets

(in thousands of Euros)	**December 31, 2023** *Biological assets at cost*	*Adjustment to fair value*	***Fair value***	**December 31, 2022** *Biological assets at cost*	*Adjustment to fair value*	***Fair value***
Current						
Crops in fields	1 433	1 568	3 001	725	1 054	1 779
Livestock	-	-	-	9	-	9
Total current biological assets	**1 433**	**1 568**	**3 001**	**734**	**1 054**	**1 788**

The Group's biological assets are cereals that are planted as of December 31, 2023 for harvest in the second half of 2024 in Ukraine.

The biological assets of the Group are measured at fair value less estimated costs to sell and are within level 3 of the fair value hierarchy (for more details refer to Note 7.7). At the balance sheet date, the fair value of the current crops in fields is determined on the basis of the planted area and the following significant unobservable inputs as of December 31, 2023:

- Crops price
- Crops yields (tonnes per hectare)
- Expected production costs

	December 31, 2023 *Cultivated area (in hectares)*	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*	**December 31, 2022** *Cultivated area (in hectares)*	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*
Winter Wheat	14 356	4,0	125	3 001	5 933	4,1	157	1 779
TOTAL	**14 356**			**3 001**	**5 933**			**1 779**

If the management team's assumptions as of December 31, 2023, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 597 k.

The following table represents movements in biological assets for the years ended December 31, 2022 and December 31, 2023:

(in thousands of Euros)	Crops	Livestock	TOTAL
Book value as of December 31, 2021 *as restated (Note 5)*	**12 326**	**14**	**12 340**
Current Biological Assets	12 326	14	12 340
Non-current Biological Assets	-	-	-
Reclassification of work in progress to biological assets	5 719	-	5 719
Costs incurred over the period	15 166	4	15 170
Biological assets decrease due to harvest	(12 143)	-	(12 143)
Gain/loss due to change in fair value	(10 310)	-	**(10 310)**
Impaired losses caused by war (1)	(7 823)	-	(7 823)
Exchange rate differences	(1 156)	(9)	(1 165)
Book value as of December 31, 2022	**1 779**	**9**	**1 788**
Current Biological Assets	1 779	9	1 788
Non-current Biological Assets	-	-	-
Reclassification of work in progress to biological assets	3 611	-	3 611
Costs incurred over the period	15 389	-	15 389
Biological assets decrease due to harvest	(12 834)	(9)	(12 843)
Gain/loss due to change in fair value	**(4 781)**	**-**	**(4 781)**
Impaired losses caused by war (1)	-	-	-
Exchange rate differences	(163)	-	(163)
Book value as of December 31, 2023	**3 001**	**-**	**3 001**
Current Biological Assets	3 001	-	3 001
Non-current Biological Assets	-	-	-

(1) Losses of costs incurred to bio-assets and fields work-in-progress in respect of land in the area significantly suffered from hostilities of Russian invasion of Ukraine in 2022 that were derecognised within the following operational restructuring procedure (please refer to the details to the Notes 2.1 and 5 of the Consolidated Financial Statements for the year 2022)

16. Trade and other receivables

(in thousands of Euros)	December 31, 2023	December 31, 2022
Trade receivables	344	842
Prepayments to suppliers (1)	139	132
Other receivables	28	185
Social and tax receivables (excl. VAT receivables)	729	1 019
VAT receivables (2)	102	584
Prepaid expenses	10	6
Trade and other receivables	**1 352**	**2 768**

	December 31, 2023	December 31, 2022
Currency:		
Denominated in EUR	32	59
Denominated in USD	-	70
Denominated in UAH	1 320	2 639
Trade and other receivables	**1 352**	**2 768**

The maximum exposure to credit risk as at the balance sheet date amounts to the fair value of each class of receivables mentioned above. The Group has no collateral for hedging.

(1) The advances paid as of December 31, 2023 correspond to prepayments to suppliers of inputs for the 2023 harvest.

(2) The VAT receivable as of December 31, 2023 mostly includes:

€ 77 k represents input VAT of Ukrainian entities.

€ 26 k related to the input VAT of AgroGeneration SA.

17. Cash and cash equivalents

(in thousands of euros)	December 31, 2023	December 31, 2022
Cash at bank and in hand	715	5 073
Investment securities	-	-
Cash and cash equivalents	**715**	**5 073**

The Cash and cash equivalents are denominated in the following currencies as of December 31, 2023:

	December 31, 2023	December 31, 2022
(in thousands of euros)	**Cash and cash equivalents**	**Cash and cash equivalents**
Currency :		
Denominated in EUR	25	71
Denominated in USD	580	4 955
Denominated in UAH	110	47
Total	**715**	**5 073**

18.-Borrowings and Lease Liabilities for right-of-use assets

(in thousands of euros)		December 31, 2023 Non-current					December 31, 2022 Non-current				
		Non-current	Current			TOTAL	Non-current	Current			TOTAL
		Borrow-ings	Borrow-ings	Interest	***Total***		**Borrow-ings**	Borrow-ings	Interest	***Total***	
Financial lease	(1)	**191**	233	-	**233**	**424**	**442**	411	-	**411**	**853**
Lease Liabilities for right-of-use assets	(1)	**7 147**	1 684	-	**1 684**	**8 831**	**6 877**	3 509	333	**3 842**	**10 719**
Bank borrowings	(2)	-	-	-	-	-	-	-	-	-	-
Other financial debt	(4)	-	6 223	-	**6 223**	**6 223**	-	6 493	-	**6 493**	**6 493**
Total borrowings		**7 338**	8 140	-	**8 140**	**15 478**	**7 319**	10 413	333	**10 746**	**18 065**

(1) Current and non-current lease payments are presented at the present value of the future minimum lease payments.

(2) There Group hasn't had attracted bank borrowings since the end of 2021.

(4) Other financial debt relates to the borrowings from related party Konkur (€6,2m).

Lease liabilities for Right-of-Use assets maturity analysis:

(in thousands of Euros)	**December 31, 2023**
Maturity analysis - contractual undiscounted cash flows	
Less than one year	2 759
One to five years	7 652
More than five years	7 658
Total undiscounted lease liabilities as of December 31, 2023	**18 069**

The maturity of the current and non-current borrowings is as follows:

(in thousands of euros)	**2024**	**2025**	**2026**	**Total**
Financial lease	233	147	44	424
Bank borrowings	-	-	-	-
Other financial debt	6 223	-	-	6 223
Total borrowings	**6 456**	**147**	**44**	**6 647**

Details of the variable-rate and fixed-rate borrowings and lease liabilities for right-of-use assets (excluding interest):

(in thousands of euros)	December 31, 2023 Variable	Fixed	December 31, 2022 Variable	Fixed
Bank borrowings	-	-	-	-
Financial lease	424	-	853	-
Lease liabilities for right-of-use assets	-	8 831	-	10 386
Other financial debt	-	6 223	-	6 493
Total borrowings	**424**	**15 054**	**853**	**16 879**

The carrying amounts of the Group's borrowings and lease liabilities for right-of-use assets are denominated in the following currencies:

(in thousands of euros)	December 31, 2023	December 31, 2022
Currency:		
EUR	-	-
USD	6 647	7 346
UAH	8 831	10 719
Total borrowings	**15 478**	**18 065**

Reconciliation of movements of borrowings and lease liabilities for right-of-use assets to cash flows arising from financing activities:

(in thousands of Euros)	Finance leases	IFRS 16 debts	Bank Borrowings and other financial debts	Total
Balance as of December 31, 2022	**853**	**10 719**	**6 493**	**18 065**
Proceeds from borrowings	-	-	-	**-**
Repayment of borrowings	(404)	-	-	**(404)**
Payment of lease liabilities (IFRS16)	-	(3 641)	-	**(3 641)**
Interest accrued	111	1 518	-	**1 629**
Interest repaid	(111)	-	-	**(111)**
Foreign exchange adjustments	(25)	(757)	(270)	**(1 052)**
Other non-cash movements	-	992	-	**992**
Disposal due to restructuring as the result of war (1)	-	-	-	-
Balance as of December 31, 2023	**424**	**8 831**	**6 223**	**15 478**

(1) Right-of-use assets in respect of land in the area significantly suffered from hostilities of Russian invasion of Ukraine in 2022 that were derecognised within the following operational restructuring procedure (please refer to the details to the Notes 2.1, 5 and 10)

The average interest rates of the Group by currency are:

Currency	December 31, 2023	December 31, 2022
EUR	-	-
USD	9,79%	10,52%
UAH	19,96%	18,79%

19. Share Capital

	Share capital in euros	Number of shares	Share premium in euros
December 31, 2021	**11 079 319**	**221 586 387**	**225 041 745**
Additional shares issued (ORNANE full redemption)	-	-	-
December 31, 2022	**11 079 319**	**221 586 387**	**225 041 745**
Additional shares issued (ORNANE full redemption)	-	-	-
December 31, 2023	**11 079 319**	**221 586 387**	**225 041 745**

As of December 31, 2023, the financial instruments in circulation and the respective numbers of shares that could be issued by exercise of these instruments are presented below:

	Number of instruments	Potential additional shares
Konkur warrants	1 379 487	2 519 544

20. Provisions

(in thousands of euros)	Provisions for litigation	Provisions for liabilities and expenses	Total
December 31, 2021	**-**	**26**	**26**
Additionnal	-	-	-
Reversal (used)	-	(26)	**(26)**
Reversal (unused)	-	-	-
Exchange rate differences	-	-	-
December 31, 2022	**-**	**26**	**26**
Additionnal	-	-	-
Reversal (used)	-	-	-
Reversal (unused)	-	-	-
Exchange rate differences	-	-	-
December 31, 2023	**-**	**-**	**-**

21. Trade and other payables

(in thousands of Euros)	December 31, 2023	December 31, 2022
Trade payables	960	1 212
Advance payments received	516	288
Social & tax payables	534	733
VAT payables	6	57
Deferred income	-	-
Other payables	545	362
Payables on the purchase of fixed assets	-	-
Payables under companies disposal terms (1)	314	229
Payables related to restructuring under the agreement with liquidator (2)	-	1 040
Trade and other payables	**2 875**	**3 921**

(1) Payable under the terms of agreement of disposal of Cypriot Companies and Agro Dom Plus (c.f. Note 2.1 of the consolidated financial statements for the year 2020)

(2) Group liabilities of 1.1 m USD to be paid to the liquidator company for the execution procedure liquidation of the companies with the allocated toxic assets caused by the war (please refer to the details to the Note 5 of the consolidated financial statements for the year 2022).

The Trade and other payables are denominated in the following currencies :

(in thousands of Euros)	December 31, 2023	December 31, 2022
Currency:		
Denominated in EUR	435	545
Denominated in USD	485	-
Denominated in UAH	1 955	3 376
Trade and other payables	**2 875**	**3 921**

22. Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 7:

Financial assets and liabilities by category and fair value as of December 31, 2023

(in thousands of Euros)	*Note*	Measured at amortised cost	Measured at fair value: *through profit or loss*	Measured at fair value: *through share-holders' equity*	Total carrying amount December 31, 2023	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7: *Level 1: quoted prices and cash*	Financial instrument at fair value hierarchy under IFRS 7: *Level 2: valuation based on obser-vable market data*	Financial instrument at fair value hierarchy under IFRS 7: *Level 3: valuation based on unobser-vable market data*
Assets									
Financial assets (non-current)	12								
Shares in non-consolidated subsidiaries									
Other financial assets									
Financial assets (current)	12								
Term deposits			7		7		7		
Other financial assets			-		-		-		
Trade and other receivables	16	372			372	372			
Cash and cash equivalents	17		715		715		715		
Liabilities									
OSRANE	18								
ORNANE	18								
Non-current and current bank borrowings	18	-			-	-			
Non-current and current financial lease	18	(424)			(424)	(424)			
Lease liabilities for right-of-use assets	18	(8 831)			(8831)	(8 831)			
Other financial debt	18	(6 223)			(6 223)	(6 223)			
Trade and other payables	21	(1 819)			(1 819)	(1 819)			

Financial assets and liabilities by category and fair value as of December 31, 2022

(in thousands of Euros)	*Note*	Measured at amortised cost	Measured at fair value		Total carrying amount December 31, 2022	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7		
			through profit or loss	***through share-holders' equity***			***Level 1: quoted prices and cash***	***Level 2: valuation based on obser-vable market data***	***Level 3: valuation based on unobser-vable market data***
Assets									
Financial assets (non-current)	12								
Shares in non-consolidated subsidiaries									
Other financial assets									
Financial assets (current)	12								
Term deposits			75		75		75		
Other financial assets			-		-		-		
Trade and other receivables	16	1 027			1 027	1 027			
Cash and cash equivalents	17		5 073		5 073		5 073		
Liabilities									
OSRANE	18								
ORNANE	18								
Non-current and current bank borrowings	18	-			-	-			
Non-current and current financial lease	18	(853)			(853)	(853)			
Lease liabilities for right-of-use assets	18	(10 719)			(10 719)	(10 719)			
Other financial debt	18	(6 493)			(6 493)	(6 493)			
Trade and other payables	21	(2 843)			(2 843)	(2 843)			

23. Revenues from operating activities

(in thousands of euros)	2023	2022
Sales of agricultural produce (1)	16 681	25 332
Services and others (2)	233	532
Total revenue from operating activities	**16 914**	**25 864**

(1) In 2023, AgroGeneration sold 75 657 tons of cereals and oilseeds

(2) The services are mainly composed of agricultural machinery services for third parties.

Detail of revenue by geographical region:

(in thousands of euros)	2023	2022
Ukraine	16 516	25 864
France	398	-
Total revenue	**16 914**	**25 864**

Detail of revenue by harvest:

(in thousands of Euros)	2023	2022
Crops revenue	**16 681**	**25 332**
Harvest 2021	139	17 461
Harvest 2022	9 145	7 871
Harvest 2023	7 397	-
Services & Other	**233**	**532**
Total Revenue	**16 914**	**25 864**

There are three significant clients to which the Group sold the goods for € 9,0 m in 2023 (three significant clients in 2022 with sales of € 13,7 m) which represent 54% of the total revenue. The revenue from other clients is individually less than 10%.

24. Functional costs / costs by nature

(in thousands of euros)	2023	2022
Cost of sales	(13 261)	(21 162)
Administrative & Selling expenses	(2 970)	(6 195)
Costs by function	**(16 231)**	**(27 357)**
Raw materials, purchases services and leasing	(13 171)	(13 033)
Personnel costs	(2 779)	(4 240)
Depreciation	(4 397)	(5 839)
Fair value and impairment adjustment (for goods sold)	4 128	(4 193)
Other expenses	(12)	(52)
Costs by nature	**(16 231)**	**(27 357)**

On average, in 2023 the Group had 438 employees.

25. Other income and expense

(in thousands of euros)	2023	2022
Proceeds from fixed assets sold	92	44
Other income	515	258
Other operating Income	**607**	**302**
Depreciation of goodwill	-	-
Net book value of fixed assets sold	(87)	(30)
Impairment from fixed assets revaluation (1)	(480)	-
Allowance for bad debts	(194)	(394)
Charity and related expenses	(197)	-
Other expenses	(446)	(139)
Other operating expenses	**(1 404)**	**(563)**
Other operating income and expenses	**(797)**	**(261)**

26. Net financial income / (expenses)

(in thousands of euros)		2023	2022
Cost of debt	(1)	(111)	(505)
Foreign exchange gains and losses		(1 423)	(1 054)
realised foreign exchange gains/(losses)	(2)	*(378)*	*1 174*
unrealised foreign exchange gains/(losses)	(3)	*(1 045)*	*(2 228)*
Other		(1 509)	(2 114)
Net financial expense		**(3 043)**	**(3 673)**

Interest expense
Cost of debt is mostly composed of the interest to related party Konkur.

Foreign exchange gains and losses
The Group's foreign currency denominated monetary assets and liabilities as of December 31, 2023 consist of USD and EURO denominated debts and cash equivalents. Other monetary assets and liabilities are not significant.
Due to the impact of the Russian invasion of Ukraine on the volatility of Ukrainian hryvnia (cf. Note 3.3), the exchange rate Ukrainian hryvnia/USD fluctuated during the year and as of reporting date changed from 36,57 UAH/USD on December 31, 2022 to 37,98 UAH/USD on December 31, 2023.

(2) Realised foreign exchange gains and losses (net amount € 378k losses) generated by the Group in 2023 due to the change in foreign exchange rate between the dates when the asset/liability was recognised and when it was settled. The main realised exchange gain occurred on the intercompany transactions and settlements in 2023.

(3) Unrealised foreign exchange gains and losses generated by the Group in 2023 due to the translation of all monetary items of Ukrainian entities and holding companies (mostly intercompany loans) from foreign currency (mostly USD) into functional currency (UAH and EUR respectively). Unrealised foreign exchange loss generated included:

- € 213 gain mostly related to the other debt and other operations;
- € 1 258 loss related to the inter-company loans and other inter-company debt between Ukrainian, Cyprus and French entities.

Other financial income/(expenses) in 2023 includes € 1 518 k of the interest expenses related to the implementation of the IFRS 16 standard (€2 395 k in 2022)

27. Earnings per share

The basic earnings per share are calculated by dividing:

- The net earnings (group share)
- By the weighted average number of ordinary shares in circulation during the financial year.

The diluted earnings per share are calculated by dividing:

- The net earnings (group share) taking into account the instruments that cause dilution,
- By the weighted average number of ordinary shares in circulation during the financial year plus the weighted average number of ordinary shares that would have been issued following the conversion of all the potential ordinary shares that cause dilution into ordinary shares.

(in thousands of euros)	**2023**	**2022**
Net consolidated income / (loss) - group from continued activity (K€)	(7 908)	(31 595)
Net consolidated income / (loss) - group from discontinued activity (K€)	-	-
Net consolidated income / (loss) - group share (K€)	**(7 908)**	**(31 595)**
Dilution impact (K€)	-	-
Net consolidated income / (loss) after dilution impact	**(7 908)**	**(31 595)**
Weighted average number of ordinary shares	221 586 387	221 586 387
Potential dilution	-	-
Weighted average number of shares after dilution impact	**221 586 387**	**221 586 387**
Net income / (loss) per share (Euros) - group share	**(0,04)**	**(0.14)**
Net income / (loss) per share (Euros) after dilution - group share	**(0,04)**	**(0.14)**
Net income/(loss) per share (Euro)	**(0,04)**	**(0.14)**
Net income/(loss) per share (Euro) after dilution	**(0,04)**	**(0.14)**

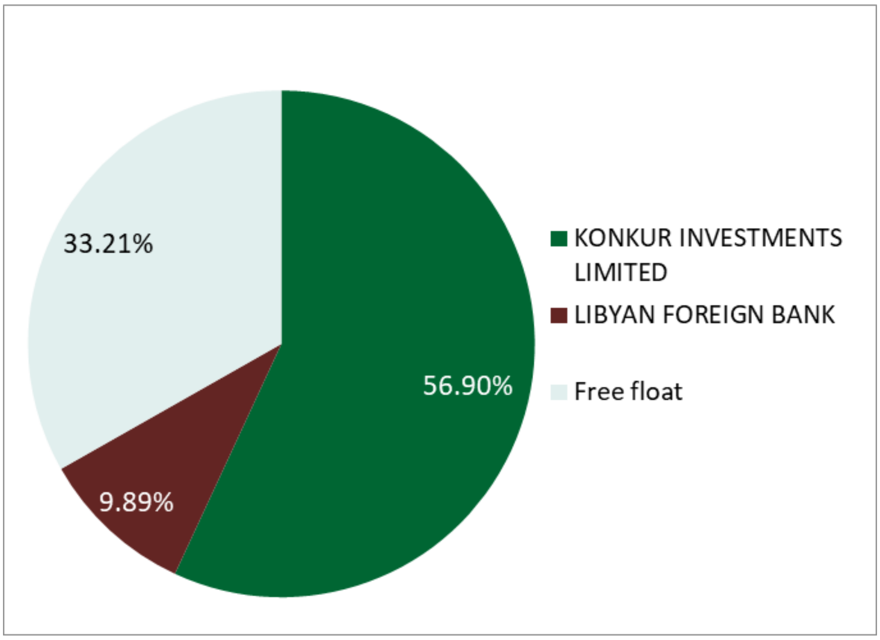
In 2023, the potential ordinary shares that would have been issued after the conversion of the stock-options, warrants or BSPCE are not included in the measurement, since they have an anti-dilutive effect.

28. Related parties

28.1. Ownership and governance

(a) Ownership

As of December 31, 2023, the shareholding is divided as follows:



Konkur: investment holding company controlled by SigmaBleyzer fund, the ultimate parent for the Group.

The ultimate parent does not produce consolidated financial statements available for public use

(b) Governance

On October 11th, 2013, the company changed its corporate governance from Executive Board and Supervisory Board to Board of Directors. The company also has an Audit Committee and a Remuneration Committee which meet regularly and which are composed of some members of the Board of Directors, as explained below.

Following the debt restructuring, and in view of the new shareholders' structure after the issuance of OSRANE, the Group has changed its governance in April 2015: 4 out of 5 directors representing the historical shareholders left the Board. In July 2019, Pierre Danon, the Deputy Chairman left the Group. As of December 31, 2023 the Board of Directors is composed of 7 members, presided by Michael Bleyzer, the Chairman.

Board of Directors

- Chairman: Michael Bleyzer

Other members:

- Lev Bleyzer (SigmaBleyzer) * / **
- Valeriy Ivanovich Dema (SigmaBleyzer)
- Neal Warren Sigda (SigmaBleyzer) * / **
- John Shmorhun ***
- Guillaume James (Gravitation)*
- Xavier Regnaut

** member of the Remuneration Committee*
***member of the Audit Committee*
**** in March 2020 John Shmorhun resigned from his position of CEO of AgroGeneration*

Compensation of the members of the Board of Directors

The attendance fees to the members of the Board of Directors have been suspended since the second half 2020 until fulfilment of the performance criteria. No attendance fees have been allocated to the members of the Board of Directors for the year 2022. The remuneration of CEO AgroGeneration, is mentioned in Note *28.2 Transactions with related parties*.

28.2. Transactions with related parties

Material transactions entered into over the period and remaining balances as at December 31, 2023 with parties that have significant influence over the Group are as follows:

	December 31, 2023		2023		December 31, 2022		2022	
kEURO	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
SigmaBleyzer group : *various entities under common control*								
Management Fees	-	-	-	-	-	-	-	-
Consulting services	-	-	-		-	-	-	
Loans	-	(6 223)	-	-	-	(6 493)	-	-
Rent of premises*	-	(163)	-	(35)	-	(296)	-	(56)
Interest on loans	-	-	-		-	-	-	(370)
Others	-	(111)		-	-	-		-
Key management								
Sergiy Bulavin	-	-	-	(48)	-	-	-	(67)
TOTAL	**-**	**(6 497)**	**-**	**(83)**	**-**	**(6 789)**	**-**	**(493)**

* The information on the rent of premises (both liabilities and expenses) is presented after application of IFRS 16.

29. Audit fees

(in thousands of euros)	December 31, 2023	December 31, 2022
Certification		
BDO network	*10*	*93*
Fidag	*10*	*41*
Total fees	**20**	**134**

30. List of consolidated companies

All companies are fully consolidated.

#	Name	Conso name	Registered office	Activity	December 31, 2023	December 31, 2022
					% of interest	% of interest
1	AgroGeneration	AgroGeneration	Paris - France	Group Holding	Consolidating entity	Consolidating entity
2	Marrimore Holdings Ltd	Marrimore	Nicosia - Cyprus	Holding company	100%	100%
3	Harmelia Investments Limited	Harmelia	Nicosia - Cyprus	Holding company	100%	100%
4	AgroGeneration Ukraine LLC	AGG UA	Kyiv - Ukraine	Service operating company	100%	100%
5	APK Donets LLC *	DON	Kharkiv - Ukraine	Agricultural producer	-	-
6	Burlutske PC *	BUR	Kharkiv - Ukraine	Agricultural producer	-	-
7	AF Barvinkivska LLC	BAR	Kharkiv - Ukraine	Agricultural producer	100%	100%
8	AF Podolivska LLC	POD	Kharkiv - Ukraine	Agricultural producer	100%	100%
9	AF Ukraina Nova LLC	UNA	Kharkiv - Ukraine	Agricultural producer	100%	100%
10	Lan LLC	LAN	Kharkiv - Ukraine	Agricultural producer	100%	100%
11	Register LLC	Registr	Kharkiv - Ukraine	Service operating company	100%	100%
12	Tornado Agro-holding PC	Tornado	Kharkiv - Ukraine	Service operating company	100%	100%

(1) * APK Donets LLC and APK Burlutske PC were disposed from the Group legal structure in 2022 in the course of operational restructuring and partial assets liquidation caused by war (please refer to the details to the Note 5)