



Interim Condensed Consolidated Financial
Statements
as of June 30, 2024 (unaudited)



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Consolidated statement of financial position

(in thousands of Euros)

| Assets | Note | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|---|-------------|----------------------------|---------------------------------|
| Non-current assets | | 18 355 | 19 198 |
| Intangible assets | 7 | 75 | 74 |
| Right-of-use Assets (Land) | 8 | 7 151 | 6 961 |
| Property, plant and equipment | 9 | 11 129 | 12 163 |
| Current Assets | | 14 030 | 12 731 |
| Inventories | 11 | 1 321 | 7 656 |
| Financial assets | 10 | 48 | 7 |
| Biological assets | 12 | 10 196 | 3 001 |
| Trade and other receivables | 13 | 1 365 | 1 352 |
| Cash and cash equivalents | 14 | 1 100 | 715 |
| Total assets | | 32 385 | 31 929 |
| Equity and Liabilities | Note | <u>June 30,2024</u> | <u>December 31, 2023</u> |
| Equity | | 11 882 | 13 242 |
| Share capital | 16 | 11 079 | 11 079 |
| Share premium | 16 | 225 042 | 225 042 |
| Other reserves | | (118 608) | (118 608) |
| Retained earnings | | (74 356) | (66 518) |
| Revaluation reserves | | 7 617 | 7 687 |
| Currency translation differences | | (37 316) | (37 532) |
| Net Income | | (1 576) | (7 908) |
| Non-controlling interests | | - | - |
| Non-current liabilities | | 7 512 | 7 338 |
| Provisions | | - | - |
| Non-current borrowings | 15 | 138 | 191 |
| Non-current lease liabilities for right-of-use assets | 15 | 7 374 | 7 147 |
| Deferred tax liabilities | | - | - |
| Current liabilities | | 12 991 | 11 349 |
| Provisions | | - | - |
| Current borrowings | 15 | 6 730 | 6 456 |
| Current lease liabilities for right-of-use assets | 15 | 2 500 | 1 684 |
| Trade and other payables | 17 | 3 511 | 2 875 |
| Current income tax liability | | 250 | 334 |
| Total equity and liabilities | | 32 385 | 31 929 |



Consolidated income statement

| (in thousands of Euros) | Note | first half 2024 | first half 2023 |
|---|------|-----------------|-----------------|
| Revenue | 19 | 7 575 | 8 640 |
| Change in fair value of biological assets and finished goods | 12 | (435) | (5 250) |
| Cost of sales | 20 | (5 404) | (6 340) |
| Gross profit / (loss) | | 1 736 | (2 950) |
| Selling, general and administrative expenses | 20 | (1 389) | (1 681) |
| Other income and expenses | 21 | (149) | (175) |
| Profit before interest and tax | | 198 | (4 806) |
| Financial net (expenses) / income | 22 | (1 774) | (974) |
| Income tax (expense) / gain | | - | - |
| Profit / (loss) for the period | | (1 576) | (5 780) |
| Non-controlling interests | | - | - |
| Profit / (loss) from continued and discontinued operations attributable to the Group | | (1 576) | (5 780) |
| Profit / (Loss) attributable to equity holders of the company (€, 000) | | (1 576) | (5 780) |
| Weighted average number of ordinary shares | | 221 586 387 | 221 586 387 |
| Basic earnings / (loss) per share (in Euros per share) | 23 | (0,01) | (0,03) |
| Profit / (loss) attributable to equity holders of the company after dilution (€, 000) | | (1 576) | (5 780) |
| Weighted average number of ordinary and potential shares | | 221 586 387 | 221 586 387 |
| Diluted earnings / (loss) per share (in Euros per share) | 23 | (0,01) | (0,03) |



Consolidated statement of comprehensive income

| (in thousands of Euros) | <u>first half 2024</u> | <u>first half 2023</u> |
|---|------------------------|------------------------|
| Profit / (loss) for the period | (1 576) | (5 780) |
| Items that will not be reclassified to profit and loss, net of tax | - | - |
| Gains on Property, plant and equipment revaluation | - | - |
| Items that are or may be reclassified to profit and loss, net of tax | 216 | (170) |
| Currency translation differences arising during the period | 216 | (170) |
| Currency translation loss reclassified to profit or loss during the period | - | - |
| Total comprehensive income/loss of the period | (1 360) | (5 950) |



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, 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 |
| Other comprehensive income/(expenses)* | - | - | - | - | - | 216 | 216 | - | 216 |
| Transfer from other comprehensive income to retained earnings** | - | - | - | 70 | (70) | - | - | - | - |
| Net Income / (loss) for the year | - | - | - | (1 576) | - | - | (1 576) | - | (1 576) |
| Balance as of June 30, 2024 | 11 079 | 225 042 | (118 608) | (75 932) | 7 617 | (37 316) | 11 882 | - | 11 882 |

(*) Currency translation differences

Revaluation of Ukrainian hryvnia in the first half 2024 had impact on assets and liabilities of the Consolidated Financial Statements.

The positive impact of currency translation differences for the first half 2024 amounts to **216k** and is composed of:

€ 224 k gain due to translation difference on current year loss arising from the difference between average (or daily) and closing rate (42,19 UAH/ EURO and 43,35 UAH/EURO respectively).

€ 262 k loss due to translating the opening net assets at a closing rate (43,35 UAH/EURO) that differs from the previous closing rate (42,20 UAH/EURO): the loss is due to the fact that net assets of Ukrainian entities are positive.

€ 254 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 reserves

Relates to the revaluation of the fixed assets, this revaluation recognised in other comprehensive income in 2023 amounts to €6,6 m (cf. Note 11 as of December 31, 2023).



Consolidated cash flow statement

| (in thousands of Euros) | Note | first half 2024 (1 576) | first half 2023 (5 780) |
|--|------|----------------------------|----------------------------|
| Profit / (loss) for the period | | | |
| Depreciation on fixed assets | | 1 702 | 1 934 |
| Provisions | | - | - |
| Capital (gains) / losses from disposals | | (8) | 18 |
| Net financial (income) / loss | | 1 774 | 974 |
| Biological assets and finished goods fair value decrease / (increase) | | (1 058) | 4 872 |
| Impairment of tangible assets | | - | - |
| Bad debt provision | | (22) | (34) |
| Other (income) / expense with no cash impact | | 151 | (38) |
| Cash flow from operating activities | | 963 | 1 946 |
| Trade and other payables (decrease) / increase* | | 1 191 | 528 |
| Inventories decrease / (increase) | | 5 160 | 5 025 |
| Biological assets cost (increase) / decrease | | (5 165) | (7 715) |
| Trade and other receivables (increase) / decrease ** | | (690) | 157 |
| Income tax paid | | (68) | - |
| Working capital variation | | 428 | (2 005) |
| Net operating cash flow | | 1 391 | (59) |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | | (266) | (372) |
| Purchase of intangible assets | | (13) | (14) |
| Disposal of property, plant and equipment | | 29 | 36 |
| Disposal of financial assets | | - | - |
| Net investing cash flow | | (250) | (350) |
| Cash flow from financing activities | | | |
| Pledged term deposits decrease / (increase) | 10 | (43) | 67 |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | (143) | (198) |
| Payment of lease liabilities for right-of-use assets | | (524) | (533) |
| Gain / (losses) from realised foreign exchange | | 52 | (2) |
| Paid interests | | (33) | (58) |
| Net cash generated from financing activities | | (691) | (724) |
| Effects of exchange rate changes on cash and cash equivalents | | (65) | (166) |
| Net movement in cash and cash equivalents | | 385 | (1 299) |
| Cash and cash equivalents at the beginning of the period | 14 | 715 | 5 073 |
| Cash and cash equivalents at the end of the period | 14 | 1 100 | 3 774 |
| 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 | | 1 100 | 3 774 |

* In the consolidated balance sheet, the accounts receivable as of June, 30 2024 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 € 18k, not inclusive of exchange rate effects, is presented as a change in accounts payable.

** In the consolidated balance sheet, the accounts payable as of June, 30 2024 include prepayments received from Group customers in respect of upcoming deliveries in the end of financial year 2024. In the consolidated cash flow statement, the change in customer prepayments (negative cash flow / decrease in debt), which amounts to € 42k, not inclusive of exchange rate effects, is presented as a change in accounts receivable.



Notes to the Consolidated Financial Statements

The Interim Condensed Consolidated Financial Statements of the AgroGeneration Group (“AgroGeneration”, “the Group” or “the Company”) for the six months ended June 30, 2024 were authorized for issue by the Board of Directors on October 30, 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 Interim Consolidated Financial Statements for the six months ended June 30, 2024 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 25 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.



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 interim 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 \$93.4 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

* As of the date of these interim consolidated financial statements, updated information on the direct losses in the sector was not available

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 \$83.1 billion. In this category, the main losses are associated with a decrease in crop production, which is 56% of all indirect losses (\$46.5 billion).

The second-largest category of losses, amounting to \$24.1 billion (26% of total losses), comes from a decline in domestic prices. The naval blockade imposed by the Russian Federation has severely disrupted logistics routes for Ukrainian agricultural exports, leading to export interruptions. This has reduced demand for agricultural commodities within the domestic market, increased logistics costs, and caused a significant drop in domestic prices. A safe corridor agreement brokered by the United Nations and Turkey in late July 2022 allowed exports to resume, but it was terminated in mid-July 2023 when Russia withdrew and intensified attacks on Ukraine's grain infrastructure. Although Ukraine's maritime corridor, established after the termination of the grain deal, improved export capacity, the gap between domestic and global prices remains higher than pre-invasion levels, signaling the ongoing impact of the invasion on domestic markets. Furthermore, from fall 2023 to spring 2024, Polish truckers, followed by farmers, blocked key border crossings between Poland and Ukraine, effectively halting truck traffic. This blockade severely impacted Ukraine's economy and disrupted essential supply routes. To the date, several months later, Polish farmers have resumed the blockade.



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 mid-2024. According to the available estimates, many of Ukrainian agricultural producers abandoned original chemicals and switched to cheaper generics.

Assessing the impact of agricultural land contamination by explosive devices and the destruction of topsoil from explosions and "landings" during demining is challenging. According to estimates from the Ukrainian Ministry of Defence, as of October 2024, approximately 128,000 km² of land (over 20% of the country's total area) and 14,000 km² of water area are potentially contaminated with explosives. This makes mine clearance one of the most significant challenges for farmers operating in Ukraine. The World Bank estimates that the essential demining of Ukraine's agricultural land will cost around \$1.5 billion. Without proper surveying and demining, farmers cannot safely utilize these 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, whose production assets are located near the frontlines of military activities, continued to be impacted by the Russian invasion during H1 2024. This period saw a significant increase in Russian attacks on Ukraine's energy, port, and civilian infrastructure compared to 2023. While the Group fortunately avoided direct damage to its assets over the reporting period, it faced persistent challenges and reduced operational efficiency across all business processes due to frequent power outages and air raid alerts – some lasting up to 11 hours a day – particularly in the Kharkiv region, where all of the Group's operational assets are located.

Despite the ongoing challenges, in H1 2024, the Company made every effort to ensure the smooth operation of all its farms and to maintain continuity across the Group's activities, including:

- During the reporting period up to the date of these interim financial statements, the Company carried out all necessary agronomical activities for both the 2024 and 2025 crop seasons. The spring sowing campaign was completed in March-May 2024, and the harvesting campaign concluded by late September. By October 2024, the Group also finished its winter wheat sowing campaign. The 2024 crop season proved exceptionally challenging due to persistent drought and lack of rainfall throughout all crop development stages. The Group's farms faced severe soil moisture deficits as early as spring 2024, with no opportunity for replenishment during the growing season due to a shortage of productive rains. As a result, harvesting had to begin in the third week of June, 2-3 weeks earlier than the optimal agronomic timeline. This shortened growing period prevented the crops from reaching their full yield and quality potential. Consequently, preliminary production estimates for 2024 are significantly below both initial expectations and last year's results, with the Group producing approximately 62k tons of crops, 14% lower than the 2023 harvest of 72k tons. Due to the ongoing drought in the Kharkiv region, where the Group's land assets are located, the planned winter wheat sowing for the 2025 crop season was not fully completed. Approximately 8.7k hectares were sown with winter wheat, compared to 14.4k hectares in the 2024 season. The unplanted areas will be reserved for sowing the remaining crops in spring 2025.



- As of late October 2024, the Group completed sales contracting for the 2023 harvest and was fully engaged with selling the 2024 crops. By the time of this report's publication, the Group had sold over 70% of its 2024 harvest. The stable operation of Ukraine's maritime corridor, established in late 2023 following the cancellation of the Grain Deal with Russia in July 2023, allowed the Group to increase export volumes, benefiting from higher crop prices.
- In H1 2024, the Company did not secure any external bank financing. As of the date of this interim report, only a limited number of banks and trading partners in Ukraine were considering providing financing to businesses in regions near the combat zone, including the Kharkiv region.

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 the full-scale war in Ukraine and its 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 and political 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.

2.2. Optimization of the Group's legal structure

During the reporting period, AgroGeneration continued the optimization of its legal structure. In May 2024, the two remaining Cypriot entities, Harmelia Investment Ltd and Marrimore Holdings Ltd, were removed from the Group's structure through a sale to a third party, following the completion of their balance sheet clean-up in early 2024. As of June 30th, 2024, the Group consisted of one parent company registered in France and six legal entities in Ukraine, including three production companies.

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 July 2024, over 6.7 million refugees from Ukraine were recorded globally with around 6.2 million individual refugees from Ukraine recorded across Europe. According to United Nations, more than 1 million are in Germany, and around 2.5 million in Western Europe, with notable differences between countries. For example, Spain hosts three times as many Ukrainian refugees as France. Nearly 2 million refugees are spread across 11 Eastern European countries bordering Ukraine (Belarus, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Czech Republic, Romania, and Slovakia). Up to 3.7 million people remained internally displaced in Ukraine to the date of this report. 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 \$1.5 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

* As of the date of these interim consolidated financial statements, updated information on the direct losses in Ukraine was not available

The Ukrainian economy experienced a loss of approximately 30% of GDP in the year following Russia's invasion in 2022. This decline was primarily due to the near-total suspension of business activities in the initial months of the invasion, a fuel crisis, a rapid decrease in exports caused by the blockade of seaports,



disruptions to logistics chains, and attacks on energy infrastructure. According to the Ministry of Finance of Ukraine, this marked the largest drop in economic activity the country has faced since gaining independence in 1991.

Despite ongoing fighting, the economy began to stabilize in 2023, largely due to the quicker-than-anticipated recovery of businesses and households from the impacts of war. Factors contributing to this recovery included reactive measures to restore electricity supply, which had been severely damaged in late 2022 and early 2023, the establishment of logistics through land corridors, a slowdown in consumer price growth supported by lower fuel prices and unchanged utility tariffs, and prudent monetary policy from the National Bank of Ukraine (NBU), which included the cessation of new hryvnia issuance and stabilization of exchange rate fluctuations. Additionally, in 2023, Ukraine continued to receive international funding.

In the first half of 2024, the Ukrainian economy continued to demonstrate improvements. According to the IMF, the economy showed greater resilience than anticipated, despite operating in a highly uncertain environment. This was evident in strong economic activity, a decrease in inflation, and adequate international reserves. However, the outlook for the second half of 2024 and for 2025 has worsened, primarily due to the severe attacks on Ukraine's energy infrastructure and the significant risks stemming from uncertainty regarding the duration of the war. Given these considerations, the IMF expects a slowdown in Ukraine's economic activity in the latter half of 2024.

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. In the first eight months of 2024, external financing amounted to \$24.5 billion, with \$6.6 billion in grants, representing 27% of the total. Since the onset of the full-scale war in Ukraine, total international aid has reached \$98 billion. 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.

According to the State Statistics Service of Ukraine, the Ukrainian economy grew by 5.3% in 2023 compared to 2022, when the figure fell by 28.8% yoy. As of June 2024, the National Bank has lowered its 2024 growth forecast for the Ukrainian economy to 3.0% (from 3.6% previous forecast) due to missile strikes on Ukraine's energy infrastructure. According to the NBU, Ukraine's government debt increased to 84.4% of the country's GDP in 2023 (vs. 78.4% in 2022 and 48.9% in 2021). According to the latest IMF's forecasts, in 2024, the government debt will increase to 97.3% of the country's GDP, and by 2025 it will reach 97.6% of GDP. The country's budget deficit reached -20.5% 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 8.2%.

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 half 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 interim 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 2024 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 7,99 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/USD, 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. As of June 30th, 2024, the official exchange rate equalled to 39,01 UAH/USD. The hryvnia to the dollar exchange rate at the end of 2024 is expected to be around 42 UAH/USD.

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 June 30, 2024, 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 € 161k higher/lower (December 31, 2023– €155k).

Foreign currency exchange rate sensitivity analysis

The Group's foreign currency denominated monetary assets and liabilities as of June 30, 2024 consist of US dollar denominated loans and other debts. Other monetary assets and liabilities are not significant.

At June 30, 2024, 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 € 494k higher/lower.

3.4. Risks related to commodities price changes

Being purely commodity crop producer, 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 the H1 2024 continued to be 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 June 30, 2024, since the war factor and location of the Group's farmlands in the Kharkiv region (at the frontline) currently create limitations in the amounts and sources of the external financing.

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. The capital repatriation risks are linked to these investments. Possible changes in the political environment in Ukraine 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 the following.

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 crop development 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 June 30, 2024, would have been by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 1 139 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 located 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 concluded that the carrying amount of building, constructions, machinery and equipment and other assets does not materially differ from the fair value as of June 30, 2024.

5. Summary of significant accounting policies

The principal accounting policies applied are summarized below.

5.1. 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 June 30, 2024. 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 June 30, 2024. 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 June 30, 2024 are the same as for 2023 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. Please refer for more details to the Note 5 of the Consolidated Financial Statements 2021.



5.2. 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 June 30, 2024.

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.

5.3. 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 company 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 June 30, 2024) 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:

| Monetary unit per € 1 | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | |
|-------------------------|---------------|---------|-------------------|---------|---------------|---------|
| | Average | Closing | Average | Closing | Average | Closing |
| Ukrainian Hryvnia (UAH) | 42,19 | 43,35 | 39,56 | 42,21 | 39,52 | 40,00 |
| American Dollar (USD) | 1,08 | 1,07 | 1,08 | 1,11 | 1,08 | 1,09 |

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.

5.4. Intangible assets

The main intangible assets recognised were 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.

5.5. Property, plant and equipment

Starting from January 1, 2015 the Group applies revaluation model for fixed assets located 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.

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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.

5.6. 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.

5.7. 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.

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 June 30, 2024, 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.

(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 11).



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.

5.8. 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 is 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 reasonably 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) | first half 2024 |
|---|-----------------|
| Interest on lease liabilities | 830 |
| Income from sub-leasing right-of-use assets | 30 |
| Expenses relating to short-term leases | 11 |



Amounts recognized in the statement of cash flows

(in thousands of Euros)

first half 2024

Total cash outflow for leases

524

5.9. 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.

5.10. 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 5.7 (c) – Agriculture.

(c) Work in progress

Cf. note 5.7 (d) – Agriculture.

5.11. 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.

5.12. 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 June 30, 2024 are 25% in France, 18% in Ukraine (see (b) Agricultural tax schemes for agricultural concerns in Ukraine).

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 2024. The schedule for phased-in application of the progressive reduction was 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 has been 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 6 legal entities that the Group controls in Ukraine as of June 30, 2024, 3 are involved in agricultural production and are eligible for the special tax regime for agricultural companies in Ukraine in 2024.

5.13. 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.

5.14. 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.

5.15. 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.

5.16. 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.

6. Segment reporting

During first half 2024, the Group continued to operate segment in Ukraine, which was composed of 6 legal entities operating around 30 000 hectares of farmland.



7. Intangible assets and land leases

| (in thousands of Euros) | Gross value | | | Depreciation | | | Net Book Value | | |
|-------------------------------|---------------|------------|---------------|-----------------|--------------|-----------------|----------------|-----------|-----------|
| | Good-will | Others (1) | Total | Good-will | Others | Total | Good-will | Others | Total |
| 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 | - | - | - | - | - | - | - | - | - |
| December 31, 2023 | 18 946 | 267 | 19 213 | (18 946) | (193) | (19 139) | - | 74 | 74 |
| Change in scope | - | - | - | - | - | - | - | - | - |
| Purchases of assets | - | 13 | 13 | - | - | - | - | 13 | 13 |
| Depreciation | - | - | - | - | (10) | (10) | - | (10) | (10) |
| Exchange rate differences | - | (10) | (10) | - | 8 | 8 | - | (2) | (2) |
| Disposals of assets | - | - | - | - | - | - | - | - | - |
| Other changes | (18 946) | - | (18 946) | 18 946 | - | 18 946 | - | - | - |
| June 30, 2024 | - | 270 | 270 | - | (195) | (195) | - | 75 | 75 |

(1) Other intangible assets include software.

8. Right of use assets (Land)

| (in thousands of Euros) | Gross value | Depreciation | Net value |
|---------------------------|---------------|----------------|--------------|
| December 31, 2022 | 12 627 | (5 902) | 6 725 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Depreciation | - | (1 533) | (1 533) |
| Exchange rate differences | (1 043) | 473 | (570) |
| Other changes | 1 085 | 1 254 | 2 339 |
| December 31, 2023 | 12 669 | (5 708) | 6 961 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Depreciation | - | (724) | (724) |
| Exchange rate differences | (348) | 154 | (194) |
| Other changes | 482 | 626 | 1 108 |
| June 30, 2024 | 12 803 | (5 652) | 7 151 |



9. Property, plant and equipment

| (in thousands of Euros) | Gross value | | | | Depreciation | | | | Net Book Value | | | | | |
|---------------------------------------|--------------|-----------------------------------|---------------------|--|---------------|--------------|-----------------------------------|---------------------|----------------|--------------|-----------------------------------|---------------------|--|---------------|
| | Buildings | Agricultural machinery and others | Right-of-use Assets | Construction in progress and prepayments | Total | Buildings | Agricultural machinery and others | Right-of-use Assets | Total | Buildings | Agricultural machinery and others | Right-of-use Assets | Construction in progress and prepayments | Total |
| 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) |
| Other movements | - | 105 | 74 | (112) | 67 | - | - | - | - | - | 105 | 74 | (112) | 67 |
| December 31, 2023 | 1 841 | 8 743 | 2 077 | 68 | 12 729 | - | (168) | (398) | (566) | 1 841 | 8 575 | 1 679 | 68 | 12 163 |
| Change in scope | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation to fair value | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Impact of revaluation on depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchases of assets | 58 | 248 | 15 | 3 | 324 | - | - | - | - | 58 | 248 | 15 | 3 | 324 |
| Depreciation | - | - | - | - | - | - | (843) | (198) | (1 041) | - | (843) | (198) | - | (1 041) |
| Exchange rate differences | (49) | (265) | (17) | - | (331) | - | 26 | 3 | 29 | (49) | (239) | (14) | - | (302) |
| Disposals of assets | - | (11) | - | - | (11) | - | 9 | - | 9 | - | (2) | - | - | (2) |
| Other movements | - | 1 081 | (1 463) | (61) | (443) | - | (73) | 503 | 430 | - | 1 008 | (960) | (61) | (13) |
| June 30, 2024 | 1 850 | 9 796 | 612 | 10 | 12 268 | - | (1 049) | (90) | (1 139) | 1 850 | 8 747 | 522 | 10 | 11 129 |

Property plant and equipment comprise owned and leased assets.

| (in thousands of Euros) | June 30, 2024 |
|---|----------------------|
| Property plant and equipment owned | 10 607 |
| Right-of-use assets | 522 |
| Total Property plant and equipment | 11 129 |

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, 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) |
| Other changes | 2 339 | 74 | - | 2 413 |
| Balance as of December 31, 2023 | 6 961 | 145 | 1 534 | 8 640 |
| Transfer to property plant and equipment owned | - | - | - | - |
| Revaluation to fair value | - | - | - | - |
| Additions | - | - | 15 | 15 |
| Disposals | - | - | - | - |
| Depreciation charge for the year | (724) | (88) | (110) | (922) |
| Exchange rate differences | (194) | (2) | (12) | (208) |
| Other changes | 1 108 | 47 | (1 007) | 148 |
| Balance as of June 30, 2024 | 7 151 | 102 | 420 | 7 673 |

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.

10. Financial assets

| (in thousands of Euros) | Other financial assets | Term deposit | Total |
|-------------------------------|------------------------|--------------|-------|
| 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 |
| Purchases of financial assets | - | 50 | 50 |
| Disposals of financial assets | - | (7) | (7) |
| Other transactions | - | - | - |
| Exchange rate difference | - | (2) | (2) |
| June 30, 2024 | - | 48 | 48 |

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



(in thousands of Euros)

| | Financial assets | | Total |
|--|------------------------------|--------------------------|-------|
| | Non-current financial assets | Current financial assets | |
| Balance as of December 31, 2023 | - | 7 | 7 |
| Purchase of financial assets | - | 50 | 50 |
| Disposal of financial assets | - | (7) | (7) |
| Foreign exchange adjustments | - | (2) | (2) |
| Balance as of June 30, 2024 | - | 48 | 48 |

11. Inventories

| (in thousands of Euros) | <u>June 30, 2024</u> | | | | <u>December 31, 2023</u> | | | |
|----------------------------------|----------------------|--------------|------------|--------------|--------------------------|--------------|------------|--------------|
| | Gross Value | Depreciation | Impairment | Net value | Gross Value | Depreciation | Impairment | Net value |
| Raw materials and other supplies | 935 | (126) | - | 809 | 1 024 | (71) | - | 953 |
| Works in progress | 1 | - | - | 1 | 1 311 | - | - | 1 311 |
| Agricultural produce | 511 | - | - | 511 | 5 392 | - | - | 5 392 |
| Total | 1 447 | (126) | - | 1 321 | 7 727 | (71) | - | 7 656 |

Raw materials and other supplies are inputs to be used in the agricultural campaign 2024/2025, including purchased seeds, fertilizers, fuel, spare parts and other suppliers. **Work in progress** includes costs accumulated before crop sowing.

As of June 30, 2024, **agricultural produce** representing €511k, is substantially made up of 4 169 tons of crops mainly from the 2024 harvest (36 037 tons as of December 31, 2023) (cf. Note 12 Biological assets).

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

12. Biological assets

| (in thousands of Euros) | <u>June 30, 2024</u> | | | <u>December 31, 2023</u> | | |
|--|---------------------------|--------------------------|---------------|---------------------------|--------------------------|--------------|
| | Biological assets at cost | Adjustment to fair value | Fair value | Biological assets at cost | Adjustment to fair value | Fair value |
| Current | | | | | | |
| Crops in fields | 9 020 | 1 176 | 10 196 | 1 433 | 1 568 | 3 001 |
| Total current biological assets | 9 020 | 1 176 | 10 196 | 1 433 | 1 568 | 3 001 |

The Group's biological assets are crops that are planted as of June 30, 2024 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 5.7). 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 June 30, 2024:

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

| | June 30, 2024 | | | | December 31, 2023 | | | |
|--------------|-------------------------------|---------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|--------------------------|-----------------------|
| | Cultivated area (in hectares) | Average yields (ton / ha) | Average price (EURO/ton) | Fair value (in kEURO) | Cultivated area (in hectares) | Average yields (ton / ha) | Average price (EURO/ton) | Fair value (in kEURO) |
| Winter Wheat | 12 694 | 2,5 | 148 | 4 220 | 14 356 | 4,0 | 125 | 3 001 |
| Sunflower | 8 817 | 1,9 | 334 | 4 498 | | | | |
| Corn | 1 528 | 4,5 | 127 | 642 | | | | |
| Soy | 3 506 | 1,0 | 283 | 804 | | | | |
| Spring Wheat | 105 | 2,1 | 164 | 32 | | | | |
| TOTAL | 26 650 | | | 10 196 | 14 356 | | | 3 001 |

If the management team's assumptions as of June 30, 2024, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around €1 139k.

The following table represents movements in biological assets for the year ended December 31, 2023 and six months ended June 30, 2024:

| (in thousands of Euros) | Crops | Livestock | TOTAL |
|---|----------------|-----------|----------------|
| 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) |
| 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 | - | - | - |
| Reclassification of work in progress to biological assets | 1 311 | - | 1 311 |
| Costs incurred over the period | 7 092 | - | 7 092 |
| Biological assets decrease due to harvest | (525) | - | (525) |
| Gain/loss due to change in fair value | (435) | - | (435) |
| Exchange rate differences | (248) | - | (248) |
| Book value as of June 30, 2024 | 10 196 | - | 10 196 |
| Current Biological Assets | 10 196 | - | 10 196 |
| Non-current Biological Assets | - | - | - |



13. Trade and other receivables

| (in thousands of Euros) | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|--|----------------------|--------------------------|
| Trade receivables | 228 | 344 |
| Prepayments to suppliers | 153 | 139 |
| Other receivables | 2 | 28 |
| Social and tax receivables (excl. VAT receivables) | 316 | 729 |
| VAT receivables (1) | 654 | 102 |
| Prepaid expenses | 12 | 10 |
| Trade and other receivables | 1 365 | 1 352 |
| | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
| Currency: | | |
| Denominated in EUR | 53 | 32 |
| Denominated in USD | - | - |
| Denominated in UAH | 1 312 | 1 320 |
| Trade and other receivables | 1 365 | 1 352 |

- (1) The VAT receivable as of June 30, 2024 mostly includes:
 €622k represents input VAT of Ukrainian entities.
 €32k related to the input VAT of AgroGeneration SA.

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.

14. Cash and cash equivalents

| (in thousands of Euros) | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|----------------------------------|----------------------|--------------------------|
| Cash at bank and in hand | 1 100 | 715 |
| Investment securities | - | - |
| Cash and cash equivalents | 1 100 | 715 |

The Cash and cash equivalents are denominated in the following currencies as of June 30, 2024:

| (in thousands of Euros) | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|-------------------------|----------------------|--------------------------|
| Currency : | | |
| Denominated in EUR | 34 | 25 |
| Denominated in USD | 1 019 | 580 |
| Denominated in UAH | 47 | 110 |
| Total | 1 100 | 715 |



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

| (in thousands of Euros) | June 30, 2024 | | | | | December 31, 2023 | | | | | |
|---|---------------|--------------|--------------|------------|--------------|-------------------|--------------|--------------|----------|--------------|---------------|
| | Non-current | Current | | | TOTAL | Non-current | Current | | | TOTAL | |
| | Borrowings | Borrowings | Interest | Total | | Borrowings | Borrowings | Interest | Total | | |
| Financial lease | (1) | 138 | 154 | | 154 | 292 | 191 | 233 | - | 233 | 424 |
| Lease Liabilities for right-of-use assets | (1) | 7 374 | 1 865 | 635 | 2 500 | 9 874 | 7 147 | 1 684 | - | 1 684 | 8 831 |
| Bank borrowings | (2) | - | - | - | - | - | - | - | - | - | - |
| Other financial debt | (3) | - | 6 576 | | 6 576 | 6 576 | - | 6 223 | - | 6 223 | 6 223 |
| Total borrowings | | 7 512 | 8 595 | 635 | 9 230 | 16 742 | 7 338 | 8 140 | - | 8 140 | 15 478 |

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

The Lease liabilities for the right of use assets for the land, mainly represented by agricultural land, combine liabilities for the whole scope of lands (around 30,000 ha) in operations and for which the land lease agreements have been legally in action as of June 30, 2024.

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

(3) Other financial debt refers to borrowings from the related party Konkur and its affiliates (€6.6m).

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

| (in thousands of Euros) | 2024 | 2025 | 2026 | Total |
|-------------------------|--------------|------------|-----------|--------------|
| Financial lease | 94 | 153 | 45 | 292 |
| Bank borrowings | - | - | - | - |
| Other financial debt | 6 576 | - | - | 6 576 |
| Total borrowings | 6 670 | 153 | 45 | 6 868 |

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

| (in thousands of euros) | June 30, 2024 | | December 31, 2023 | |
|---|---------------|---------------|-------------------|---------------|
| | Variable | Fixed | Variable | Fixed |
| Bank borrowings | - | - | - | - |
| Financial lease | 292 | - | 424 | - |
| Lease liabilities for right-of-use assets | - | 9 239 | - | 8 831 |
| Other financial debt | - | 6 576 | - | 6 223 |
| Total borrowings | 292 | 15 815 | 424 | 15 054 |

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) | June 30, 2024 | December 31, 2023 |
|-------------------------|---------------|-------------------|
| Currency: | | |
| EUR | - | - |
| USD | 4 767 | 6 647 |
| UAH | 11 975 | 8 831 |
| Total borrowings | 16 742 | 15 478 |



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, 2023 | 424 | 8 831 | 6 223 | 15 478 |
| Proceeds from borrowings | - | - | - | - |
| Repayment of borrowings | (143) | - | - | (143) |
| Payment of lease liabilities (IFRS16) | - | (524) | - | (524) |
| Interest accrued | 33 | 830 | - | 863 |
| Interest repaid | (33) | - | - | (33) |
| Foreign exchange adjustments | 11 | (270) | 242 | (17) |
| Other non-cash movements | - | 1 007 | 111 | 1 118 |
| Balance as of June 30, 2024 | 292 | 9 874 | 6 576 | 16 742 |

The average interest rates of the Group by currency are:

| Currency | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|----------|----------------------|--------------------------|
| EUR | - | - |
| USD | 1,15% | 9,79% |
| UAH | 20,09% | 19,96% |

16. Share Capital

| | <u>Share capital in euros</u> | <u>Number of shares</u> | <u>Share premium in Euros</u> |
|--------------------------|-------------------------------|-------------------------|-------------------------------|
| December 31, 2022 | 11 079 319 | 221 586 387 | 225 041 745 |
| Additional shares issued | - | - | - |
| December 31, 2023 | 11 079 319 | 221 586 387 | 225 041 745 |
| Additional shares issued | - | - | - |
| June 30, 2024 | 11 079 319 | 221 586 387 | 225 041 745 |

As of June 30, 2024, the financial instruments in circulation and the respective numbers of shares that could be issued by exercise of these instruments are presented below:

| | <u>Number of instruments</u> | <u>Potential additional shares</u> |
|-----------------|------------------------------|------------------------------------|
| Konkur warrants | 1 379 487 | 2 519 544 |



17. Trade and other payables

| (in thousands of Euros) | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|---|----------------------|--------------------------|
| Trade payables | 2 137 | 960 |
| Advance payments received | 462 | 516 |
| Social & tax payables | 574 | 534 |
| VAT payables | 2 | 6 |
| Deferred income | (6) | - |
| Other payables | 186 | 545 |
| Payables on the purchase of fixed assets | 68 | - |
| Payables under companies disposal terms (1) | 88 | 314 |
| Trade and other payables | 3 511 | 2 875 |

(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).

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

| (in thousands of Euros) | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------|----------------------|--------------------------|
| Currency: | | |
| Denominated in EUR | 317 | 435 |
| Denominated in USD | 1 681 | 485 |
| Denominated in UAH | 1 513 | 1 955 |
| Trade and other payables | 3 511 | 2 875 |



18. 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 June 30, 2024

| (in thousands of Euros) | | Measured at amortised cost | Measured at fair value | | Total carrying amount June 30, 2024 | Valued at cost | Financial instrument at fair value hierarchy under IFRS 7 | | |
|---|------------------------|----------------------------|-------------------------------|---------------------------------|-------------------------------------|----------------|---|--|--|
| Note | through profit or loss | | through share-holders' equity | Level 1: quoted prices and cash | | | Level 2: valuation based on observable market data | Level 3: valuation based on unobservable market data | |
| Assets | | | | | | | | | |
| Financial assets (non-current) | 10 | | | | | | | | |
| Shares in non-consolidated subsidiaries | | | | | | | | | |
| Other financial assets | | | | | | | | | |
| Financial assets (current) | 10 | | 48 | | 48 | | 48 | | |
| Term deposits | | | | | | | | | |
| Other financial assets | | | | | | | | | |
| Trade and other receivables | 13 | 230 | | | 230 | 230 | | | |
| Cash and cash equivalents | 14 | | 1 100 | | 1 100 | | 1 100 | | |
| Liabilities | | | | | | | | | |
| Non-current and current bank borrowings | 15 | | | | | | | | |
| Non-current and current financial lease | 15 | (292) | | | (292) | (292) | | | |
| Lease liabilities for right-of-use assets | 15 | (9 874) | | | (9 874) | (9 874) | | | |
| Other financial debt | 15 | (6 576) | | | (6 576) | (6 576) | | | |
| Trade and other payables | 17 | (2 479) | | | (2 479) | (2 479) | | | |

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

| (in thousands of Euros) | | Measured at amortised cost | Measured at fair value | | Total carrying amount Dec 31, 2023 | Valued at cost | Financial instrument at fair value hierarchy under IFRS 7 | | |
|---|------------------------|----------------------------|-------------------------------|---------------------------------|------------------------------------|----------------|---|--|--|
| Note | through profit or loss | | through share-holders' equity | Level 1: quoted prices and cash | | | Level 2: valuation based on observable market data | Level 3: valuation based on unobservable market data | |
| Assets | | | | | | | | | |
| Financial assets (non-current) | 10 | | | | | | | | |
| Shares in non-consolidated subsidiaries | | | | | | | | | |
| Other financial assets | | | | | | | | | |
| Financial assets (current) | 10 | | 7 | | 7 | | 7 | | |
| Term deposits | | | | | | | | | |
| Other financial assets | | | | | | | | | |
| Trade and other receivables | 13 | 372 | | | 372 | 372 | | | |
| Cash and cash equivalents | 14 | | 715 | | 715 | | 715 | | |
| Liabilities | | | | | | | | | |
| Non-current and current bank borrowings | 15 | | | | | | | | |
| Non-current and current financial lease | 15 | (424) | | | (424) | (424) | | | |
| Lease liabilities for right-of-use assets | 15 | (8 831) | | | (8 831) | (8 831) | | | |
| Other financial debt | 15 | (6 223) | | | (6 223) | (6 223) | | | |
| Trade and other payables | 17 | (1 819) | | | (1 819) | (1 819) | | | |



19. Revenues from operating activities

| (in thousands of Euros) | <u>first half 2024</u> | <u>first half 2023</u> |
|--|------------------------|------------------------|
| Sales of agricultural produce (1) | 7 522 | 8 516 |
| Services and others (2) | 53 | 124 |
| Total revenue from operating activities | 7 575 | 8 640 |

(1) In the first half 2024, AgroGeneration sold 34 944 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) | <u>first half 2024</u> | <u>first half 2023</u> |
|-------------------------|------------------------|------------------------|
| Ukraine | 7 575 | 8 443 |
| France | - | 197 |
| Total revenue | 7 575 | 8 640 |

Detail of revenue by harvest:

| (in thousands of Euros) | <u>first half 2024</u> | <u>first half 2023</u> |
|-----------------------------|------------------------|------------------------|
| Crops revenue | 7 522 | 8 516 |
| Harvest 2022 | - | 8 516 |
| Harvest 2023 | 7 522 | - |
| Services & Other | 53 | 124 |
| Total Revenue | 7 575 | 8 640 |

There are three significant clients to which the Group sold the goods for €4,9m in first half 2024 which represent 65% of the total revenue. The revenue from other clients is individually less than 10%.

20. Functional costs / costs by nature

| (in thousands of Euros) | <u>first half 2024</u> | <u>first half 2023</u> |
|---|------------------------|------------------------|
| Cost of sales | (5 404) | (6 340) |
| Administrative & Selling expenses | (1 389) | (1 681) |
| Costs by function | (6 793) | (8 021) |
| Raw materials, purchases services and leasing | (5 676) | (5 477) |
| Personnel costs | (977) | (983) |
| Depreciation | (1 630) | (1 934) |
| Fair value and impairment adjustment (for goods sold) | 1 493 | 378 |
| Other expenses | (3) | (5) |
| Costs by nature | (6 793) | (8 021) |

On average, in the first half 2024 the Group had 363 employees.



21. Other income and expense

| (in thousands of Euros) | <u>first half 2024</u> | <u>first half 2023</u> |
|---|------------------------|------------------------|
| Proceeds from fixed assets sold | 9 | 49 |
| Other income | 160 | 57 |
| Other operating Income | 169 | 106 |
| Net book value of fixed assets sold | (1) | (67) |
| Allowance for bad debts | (6) | (11) |
| Charity and related expenses | (82) | (85) |
| Other expenses | (229) | (118) |
| Other operating expenses | (318) | (281) |
| Other operating income / (expenses), net | (149) | (175) |

22. Net financial income / (expenses)

| (in thousands of Euros) | | <u>first half 2024</u> | <u>first half 2023</u> |
|---|-----|------------------------|------------------------|
| Cost of debt | (1) | (33) | (58) |
| Foreign exchange gains and losses | | (941) | (166) |
| <i>realised foreign exchange gains/(losses)</i> | (2) | 50 | 36 |
| <i>unrealised foreign exchange gains/(losses)</i> | (3) | (991) | (202) |
| Other | | (800) | (750) |
| Net financial expense | | (1 774) | (974) |

Interest expense

(1) Cost of debt is composed of interest on leasing.

Foreign exchange gains and losses

The Group's foreign currency denominated monetary assets and liabilities as of June 30, 2024 consist of USD and EURO denominated debts. Other monetary assets and liabilities are not significant.

(2) Realised foreign exchange gains and losses (net amount €50k gain) generated by the Group in first half 2024. Due to the change in foreign exchange rate between the dates when the liability/asset was recognised (or revalued at the beginning of the year) and when it was settled.

(3) Unrealised foreign exchange gains and losses (net amount €991k loss) generated by the Group in first half 2024 due to the translation of all monetary items of Ukrainian entities and holding company from foreign currency (mostly EUR) into functional currency (UAH and EUR respectively). Unrealised foreign exchange net loss generated included:

- €72k loss mostly related to other debts;
- €919k loss related to the inter-company debt between Ukrainian and French entities.

Other financial income/(expenses) in first half 2024 includes € 830k of the interest expenses related to the IFRS 16 standard (€717 k in first half 2023).



23. 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) | <u>first half 2024</u> | <u>first half 2023</u> |
|---|------------------------|------------------------|
| Net consolidated income / (loss) - group from continued activity (K€) | (1 576) | (5 780) |
| Net consolidated income / (loss) - group from discontinued activity (K€) | - | - |
| Net consolidated income / (loss) - group share (K€) | (1 576) | (5 780) |
| Dilution impact (K€) | - | - |
| Net consolidated income / (loss) after dilution impact | (1 576) | (5 780) |
| 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 | (0,01) | (0,03) |
| Net income / (loss) per share (Euros) after dilution - group share | (0,01) | (0,03) |
| Net income/(loss) per share (Euro) | (0,01) | (0,03) |
| Net income/(loss) per share (Euro) after dilution | (0,01) | (0,03) |

Over the first half 2024, 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.



24. Transactions with related parties

Material transactions entered into over the period and remaining balances as at June 30, 2024 with parties that have significant influence over the Group are as follows:

| (in thousands of Euros) | June 30, 2024 | | first half 2024 | | December 31, 2023 | | first half 2023 | |
|---|---------------|----------------|-----------------|-------------|-------------------|----------------|-----------------|-------------|
| | ASSETS | LIABILITIES | INCOME | EXPENSE | ASSETS | LIABILITIES | INCOME | EXPENSE |
| SigmaBleyzer group : various entities under common control | | | | | | | | |
| Loans | - | (6 576) | - | - | - | (6 223) | - | - |
| Rent of premises* | - | (105) | - | (10) | - | (163) | - | (29) |
| Interest on loans | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | (111) | - | - |
| Key management | | | | | | | | |
| Sergiy Bulavin | - | - | - | (27) | - | - | - | (25) |
| TOTAL | - | (6 681) | - | (37) | - | (6 497) | - | (54) |

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

25. List of consolidated companies

All companies are fully consolidated.

| # | Name | Conso name | Registered office | Activity | June 30, 2024 | December 31, 2023 |
|----|--------------------------------|----------------|-------------------|---------------------------|----------------------|----------------------|
| | | | | | % 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 | AF Barvenkovskaya LLC ** | BAR | Kharkiv - Ukraine | Agricultural producer | 100% | 100% |
| 6 | AF Podoljevskaja LLC | POD | Kharkiv - Ukraine | Agricultural producer | 100% | 100% |
| 7 | AF Ukraina Nova LLC | UNA | Kharkiv - Ukraine | Agricultural producer | 100% | 100% |
| 8 | Lan LLC | LAN | Kharkiv - Ukraine | Agricultural producer | 100% | 100% |
| 9 | Register LLC | Registr | Kharkiv - Ukraine | Service operating company | 100% | 100% |
| 10 | Tornado Agro-holding PC | Tornado | Kharkiv - Ukraine | Service operating company | 100% | 100% |

* Marrimore Holdings Ltd , Harmelia Investments Limited - divested from the Group's structure in May 2024 according to the completion of the Group's legal structure optimization (please refer for the details to Note 2.2)

** AF Barvenkovskaya LLC - divested from the Group's structure in April 2024 through transfer of the assets and liabilities, including operated land, to AF Podoljevskaja LLC and further disposal of the AF Barvenkovskaya LLC company to the 3rd party