

AGROLIGA GROUP PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

AGROLIGA GROUP PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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AGROLIGA GROUP PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Oleksandr Berdnyk
Bizserve Investments Limited
Bizserve Management Limited

Company Secretary:

Bizserve Secretarial Services Limited

Independent Auditors:

Kreston Proios Ltd
Certified Public Accountants
A member of Kreston Global
A global network of independent accounting firms
Corner of Nikis & 2 Kastoros Street, 1087 Nicosia

Registered office:

11 Boumpoulinas Street
1st floor
1060 Nicosia, Cyprus

Bankers:

Credit Agricole Bank Polska S.A.
Versobank AS

Registration number:

HE269325

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of Agroliga Group Plc. and its subsidiaries (the Group) for the year ended 31 December 2023.

Principal activities

The principal activities of the Group are the production of vegetable oils, the sale of agricultural crops, and the production of energy.

Review of current position, future developments and significant risks

The Group's development to date, financial results and position as presented in the consolidated financial statements are non considered satisfactory. Additional details that relate to the operating environment of the Group as well as other risks and uncertainties described in notes 3 and 20 of the consolidated financial statements.

The Group handles approximately 8 thousand hectares of land, the capacity of the sunflower oil factory for processing sunflower is 35 thousand tons per year. The implementation of the green project allows the Group to produce and sell electricity at a "green tariff".

As at the date of approval of the financial statements, the Group operates in an unstable environment associated with the war and other crisis phenomena in Ukraine and the world. The martial law introduced by the Decree of the President of Ukraine as of February 24, 2022 No. 64/2022 "On the imposition of martial law in Ukraine" was in effect until the end of the reporting year and was extended by the corresponding Presidential Decrees until May 13, 2024.

In connection with the imposition of martial law in Ukraine and the difficult situation in the country, the Company continues its activities, keeps working places, fulfills its liabilities to employees, clients, banks and the state.

Results

The Group's results for the year are set out on page 11.

The oil-extraction plant gives the possibility of the processing volumes of raw materials in the range from 100 thousand to 180 thousand tons per year without additional investment in equipment. The production facilities designed in such a way that the Group is able to reconfigure the equipment for extraction of soybean and rapeseed oil without additional investment in this equipment, this fact significantly expands the product line. A modern production line for extraction, which allows to increase oil yield by 10% in comparison with the press technology of oil extraction. The company receives sunflower meal with a protein content of 38% and residual oiliness, which does not exceed 0.5-1%.

Dividends

The Board of Directors does not recommend the payment of a dividend since the Group is unprofitable due to the war in Ukraine.

Research and Development activities

The Group did not carry out any research and development activities during the year.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Group's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 3. All of them were members of the Board of Directors throughout the year ended 31 December 2023.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office. There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

AGROLIGA GROUP PLC

Corporate Governance

The full corporate governance report is available at <http://agroliga.com.ua/en/financial-data/>

Events after the reporting period

Events after the reporting period disclosed in note 25 of the consolidated financial statements.

Independent Auditors

The Independent Auditors, Kreston Proios Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Bizserve Secretarial Services Limited
Secretary

Nicosia, 15 March 2024 **BIZSERVE SECRETARIAL SERVICES LIMITED**

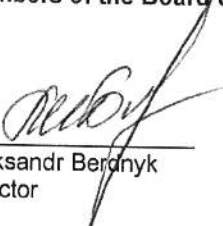
AGROLIGA GROUP PLC


DECLARATION OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS


In accordance with Article 9 sections (3c) and 7() of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the Management of Agroliga Group Plc for the year ended 31 December 2023, on the basis of our knowledge, declare that:

- a) The annual consolidated financial statements of the Group which are presented:
 - i. Have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and
 - ii. Provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and
- b) The consolidated management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which they face

Members of the Board of Directors:


Oleksandr Berdnyk
Director

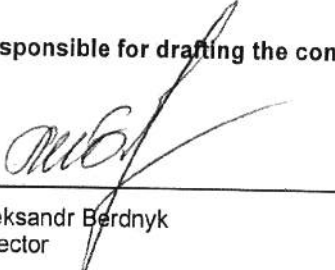

Bizserve Investments Limited
Director


Bizserve Management Limited
Director

BIZSERVE INVESTMENTS LIMITED

BIZSERVE MANAGEMENT LIMITED

Responsible for drafting the consolidated financial statements:


Oleksandr Berdnyk
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Agroliga Group Plc. Report on the Audit of the Consolidated Financial Statements

Qualified opinion

We were engaged to audit the financial statements of Agroliga Group Plc (the "Company"), and its subsidiaries (the "Group"), which are presented in pages 11 to 40 and comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the impact of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respect, the financial position of the Group as at 31 December 2023, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for qualified opinion

Value of presumably destroyed property, plant and equipment and inventories and biological assets in the fields

As at 31 December 2023, the carrying amount of property, plant and equipment made EUR 34 510 thousand (as at 31 December 2022: EUR 36 899 thousand), inventories and agriculture products made EUR 9 713 thousand (as at 31 December 2022: EUR 11 456 thousand). In connection with military operations on the territory of Ukraine, due to which, 3 agricultural companies of the Group, namely LLS Agroliga, PE Mechnikovo and LLC Vostokagrokontrakt were forced to suspend their activities due to temporary occupation or military operations near companies, which affects the carrying amount of property, plant and equipment and inventory and may differ significantly from the fair value according of IAS 36 Impairment of Assets, in particular:

Property, plant and equipment in the amount of EUR 1 881 thousand (as at 31 December 2022: EUR 1 412 thousand) are completely or partially destroyed, the inventory of which is impossible until the end of hostilities, it can be concluded that the preliminary estimates adopted for the purposes of preparing financial statements were not revised accordance with changes of using property, plant and equipment, which does not meet the requirements of IAS 16 Property, Plant and Equipment;

Inventories and agriculture products in the amount of EUR 3 771 thousand (as at 31 December 2022: EUR 607 thousand) are completely or partially destroyed, the inventory of which is impossible until the end of hostilities, it can be concluded that the preliminary estimates adopted for the purposes of preparing financial statements were not revised accordance with changes of using inventories, which does not meet the requirements of IAS 2 Inventory;

Disclosure in accordance with IFRS 8 "Operating Segments"

The company has several significant lines of business (segment), such as the production and sale of agricultural crops in the domestic and international markets, the processing of oilseeds and the generation of electricity, which regulates the disclosure of such information separately for each direction and geographical feature. The Company does not disclose this information in violation of IFRS 8 Operating Segments.

Material uncertainty related to going concern

We draw attention to Note 25 to these financial statements which states that the impact of the martial law imposed on February 24, 2022, the final settlement of which cannot be predicted with sufficient probability, as well as the economic crisis in Ukraine and around the world, may have a comprehensive negative impact on the Group's operations. Due to the rapidly changing economic environment, the Group's budgets and forecasts regarding operating and financial factors may require significant revisions by the Group's management and may affect going concern. As disclosed in Note 25, these events or conditions, together with the other matters set out in Note 25, indicate that there is a material uncertainty that could cast significant doubt on some of the Group's Companies ability to continue as a going concern. Our opinion was not modified on this issue.

knowing you.

Kreston Proios Ltd is a private company
incorporated in Cyprus,
Inc. No, 171495

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P.O.Box: 28530, 2080 Nicosia, Cyprus
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Key Audit Matters

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

Recognition of revenue from contracts with customers	
<p>Revenue from the sale of products and goods in 2023 amounted to EUR 44,262 thousand and is one of the most significant items of the Group's financial statements, the audit of which requires considerable time and effort, while there is an inherent risk of fraud associated with the completeness and timeliness of revenue recognition. Accordingly, the completeness and timeliness of the display of income in the financial statements and their assessment are of great importance when we conduct an audit of the Company's financial statements for 2023. Information on income from the sale of goods is disclosed by the Company in Note 5 to the financial statements.</p>	
Key Audit Matter	How the matter was addressed in our audit
<p>Description of the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud</p>	<p>Our approach to the audit included an assessment of the relevant controls related to management's recognition of revenue from the sale of products and merchandise and the performance of substantive review procedures with respect to such recognition. We have evaluated, based on audit evidence, whether the accounting in the consolidated financial statements is reasonable in the context of the applicable financial reporting framework.</p>
<p>Summary of the auditor's response to those risks</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • testing of accounting policies and practices of management personnel regarding the recognition of income from the sale of goods in accordance with IFRS 15 "Income from contracts with customers" through testing the internal control system, discussions with the Company's personnel, analysis of accounting policies and assessments for their compliance with IFRS 15; • verification of the completeness and timeliness of income recognition by means of detailed testing and conducting detailed analytical procedures, including a test for the compliance of the income recognition period close to the day of the reporting period and the beginning of the one following the reporting period; • analysis of identification of contracts with clients and fulfilment of conditions with key buyers; • confirmation of turnover and balances of debt due to settlements with buyers • testing of income received from sales of goods under contracts with the possibility of returning goods; • we analysed the adequacy and appropriateness of disclosures in Note 5 that would enable users of separate financial statements to assess the nature and volume of revenue from contracts with customers. We have assessed the appropriateness of presentation in the consolidated financial statements
<p>Key observations arising with respect to those risks</p>	<p>No observations, all procedures and methodology meet requirements.</p>

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

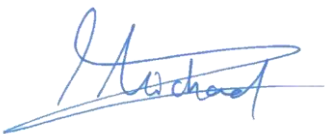
Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the consolidated management report has been prepared in accordance with the re-quirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is



Nicholas Michael

Certified Public Accountant and Registered Auditor
for and on behalf of

15 March 2024

Kreston Proios Ltd

Certified Public Accountants

A member of Kreston Global

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AGROLIGA GROUP PLC


CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023 (in thousands of EUR)

	Note	For the year ended 31.12.2023	For the year ended 31.12.2022
Revenue	5	44 262	47 455
Cost of sales	7.1	(37 555)	(39 223)
Income from change in fair value of biological assets and agricultural products	5	(803)	272
Gross profit (loss)		5 904	8 504
Administrative expenses	7.2	(698)	(787)
Distribution expenses	7.3	(3 702)	(4 032)
Other operating income/(expenses), net	6	(480)	723
Financial income/(expenses), net	8	(758)	(1 344)
Exchange rate differences, net		(568)	(4 698)
Profit (loss) from continuing operations		(302)	(1 634)
Income tax benefit/expense	9	287	(579)
Profit (loss) for the year		(15)	(2 213)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(3 276)	(3 424)
Total comprehensive income for the year		(3 291)	(5 637)
<i>EBITDA (earnings before interests, taxes, depreciation and amortization and exchange rate differences)</i>			
		3 301	6 778
Net profit for the year/period attributable to:			
Equity holders of the parent		(180)	(607)
Non-controlling interests		165	(1 606)
Net profit for the year/period		(15)	(2 213)
Total comprehensive income attributable to:			
Equity holders of the parent		(1 849)	(3 019)
Non-controlling interests		(1 442)	(2 618)
Total comprehensive income		(3 291)	(5 637)


Oleksandr Berdnyk
Director


Bizserve Investments Limited
Director


Bizserve Management Limited
Director

BIZSERVE INVESTMENTS LIMITED

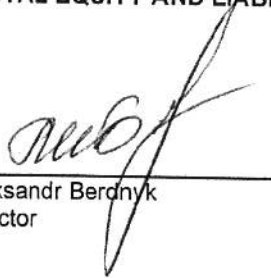
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AGROLIGA GROUP PLC

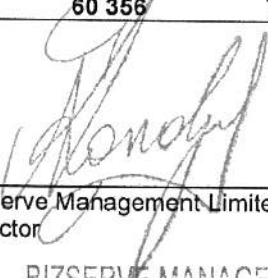
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2023 (in thousands of EUR)

	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Property, plant and equipment	10	34 510	36 899
Right-of-use asset	22	546	737
Biological assets	11	-	13
Deferred tax assets	18	31	23
Total non-current assets		35 087	37 672
Current assets			
Inventories and work in progress	13	9 713	11 456
Biological assets	11	-	423
Trade and other receivables	14	13 783	18 330
Cash and cash equivalents	15	1 773	2 544
Total current assets		25 269	32 753
TOTAL ASSETS		60 356	70 425
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	16	31	31
Share premium		953	953
Translation reserve		(18 261)	(14 985)
Retained earnings		45 939	46 119
Equity attributable to equity holders of the parent		28 662	32 118
Non-controlling interests		2 055	1 890
Total equity		30 717	34 008
Liabilities			
Non-current liabilities			
Borrowings	17	1 710	4 415
Long-term portion of lease liabilities	22	579	684
Deferred tax liabilities	18	2 390	1 716
Total Non-current liabilities		4 679	6 815
Current liabilities			
Trade and other payables	19	14 583	15 918
Current portion of lease liabilities	22	64	507
Borrowings	17	10 259	13 155
Provision		54	22
Total Current liabilities		24 960	29 602
TOTAL EQUITY AND LIABILITIES		60 356	70 425


Oleksandr Berdnyk
Director


Bizserve Investments Limited
Director


Bizserve Management Limited
Director

BIZSERVE INVESTMENTS LIMITED


BIZSERVE MANAGEMENT LIMITED

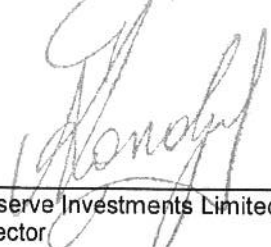
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023 (in thousands of EUR)

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling Interests	
Balance at 1 January 2022 as previously reported	31	953	(11 561)	46 726	3 496	39 645
Net profit for the year	-	-	-	(607)	(1 606)	(2 213)
Cash dividends	-	-	-	-	-	-
Exchange difference on the translation and consolidation for foreign companies' financial statements	-	-	(3 424)	-	-	(3 424)
Balance at 31 December 2022	31	953	(14 985)	46 119	1 890	34 008
Balance at 1 January 2023 as previously reported	31	953	(14 985)	46 119	1 890	34 008
Net profit for the year	-	-	-	(180)	165	(15)
Cash dividends	-	-	-	-	-	-
Exchange difference on the translation and consolidation for foreign companies' financial statements	-	-	(3 276)	-	-	(3 276)
Balance at 31 December 2023	31	953	(18 261)	45 939	2 055	30 717


 Oleksandr Berdnyk
 Director


 Bizserve Investments Limited
 Director


 Bizserve Management Limited
 Director

BIZSERVE INVESTMENTS LIMITED

BIZSERVE MANAGEMENT LIMITED

AGROLIGA GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023 (in thousands of EUR)

	For the year ended 31.12.2023	For the year ended 31.12.2022
Cash flows from operating activities		
Profit before tax	(302)	(1 634)
Adjustments for:		
Depreciation of property, plant and equipment	2 277	2 370
Changes in the reserve of doubtful debts	507	353
(Losses)/gain on current assets sold	(71)	(127)
Exchange rate differences, net	568	4 698
Income from previously written off assets (reverse)	(9)	-
Changes in deferred taxes	666	(104)
Income from change in fair value of biological assets	803	(272)
Interest income	(32)	(54)
Interest expense	898	1 398
	5 305	6 628
Cash flows from operations before working capital changes		
Decrease/(increase) in inventories and work in progress	113	1 898
Decrease/(increase) in trade and other receivables	4 082	(7 954)
Decrease/(increase) in biological assets	429	114
(Decrease)/increase in trade and other payables	(679)	6 863
	9 250	7 549
Cash flows from operations	9 250	7 549
Income tax paid	(102)	(33)
Net cash flows from operating activities	9 148	7 516
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(3 876)	(3 582)
Proceeds from disposal of property, plant and equipment	-	-
Loans granted	-	-
Interest received	32	54
Net cash (loss) generated by investing activities	(3 844)	(3 528)
Cash flows from financing activities		
Proceeds from borrowings	17 428	2 890
Repayment of borrowings	(22 439)	(2 804)
Dividends paid to equity holders of the parent	-	-
Dividends paid to non-controlling interests	-	-
Interest paid	(726)	(789)
Net cash (loss) generated by financing activities	(5 737)	(703)
Net increase (decrease) in cash	(433)	3 285
Cash at the beginning of the year	2 544	118
Effect of exchange rates fluctuations on cash and cash equivalents	(338)	(859)
Cash at the end of the year	1 773	2 544

Oleksandr Berdnyk
Director

Bizserve Investments Limited
Director

Bizserve Management Limited
Director

BIZSERVE INVESTMENTS LIMITED

BIZSERVE MANAGEMENT LIMITED

AGROLIGA GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2023

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Country of incorporation

The Group Agroliga Group Plc. (the «Group») was incorporated in Cyprus on 23 June 2010 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 11 Boumpoulinas Street, 1st floor, 1060 Nicosia, Cyprus.

Principal activities

The principal activities of the Group are the production of vegetable oils, sale agriculture crops.

The Group

These consolidated financial statements also include:

Private Liability Company "Agroliga Group" ("PLC "Agroliga Group");
Limited Liability Company "Agroliga Group" ("LLC "Agroliga Group");
Limited Liability Company "Agroliga" ("LLC "Agroliga");
Limited Liability Company "Vostokagrokontrakt" ("LLC "Vostokagrokontrakt");
Limited Liability Company "Agrocom Nova Vodolaga" ("LLC "Agrocom NV");
Private Enterprise "Mechnikovo" ("PE "Mechnikovo").
Limited Liability Company "Mayak"
Limited Liability Company "Agroliga-Trade" ("LLC "Agroliga-Trade")
Limited Liability Company "AGL Energy", (AGL Energy, LLC)
Limited Liability Company "Trade House Liga Trade" (Liga Trade TH, LLC)

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention with the exception of biological assets have been prepared under fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of the standards and interpretations during the reporting period

In the current year the Group has applied all new and revised standards and interpretations adopted by the International Accounting Standards Board and International Financial Reporting Interpretations Committee which are to be applied in financial statements for the periods beginning on or after 1 January 2024.

As at the date of approval of these financial statements, the following standards, interpretations and changes to the standards have been issued, but are not effective yet:

The amendment applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

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Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).

These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time.

During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments.

The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024.

Amendment – Noncurrent Liabilities with Covenants (Amendment to IAS 1)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022.

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

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Lack of Exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2024 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company Agroliga Group Plc. and the financial statements of the Ukrainian companies Agroliga Group LLC, Agrocom NV LLC, PLC Mechnikovo, Agroliga LLC, Vostokagrocontract LLC, Mayak LLC, "Agroliga-Trade" LLC and AGL ENERGY, LLC, Liga Trade TH, LLC

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Revenue recognition

Revenue comprises the invoiced amount for the sale of products net of Value Added Tax, rebates and discounts. Revenues earned by the Group are recognized on the following bases:

- **Sale of products**
Sales of products are recognized when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Group has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.
- **Interest income**
Interest income is recognized on a time-proportion basis using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

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Foreign currency translation

Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€'000), which is the Group's presentation currency.

All amounts of these consolidated financial statements are accounted in local currency of each of the company of the Group ("the functional currency"). The functional currency of each of the Group companies is indicated below:

Name of Group's company	Country	Functional currency
PLC "Agroliga Group"	Cyprus	EUR
LLC "Agroliga Group"	Ukraine	UAH
LLC "Agroliga"	Ukraine	UAH
LLC "Vostokagrokontrakt"	Ukraine	UAH
LLC "Agrocom Nova Vodolaga"	Ukraine	UAH
PE "Mechnikovo"	Ukraine	UAH
LLC "Mayak"	Ukraine	UAH
LLC "AGL Energy"	Ukraine	UAH
LLC "Agroliga-Trade"	Ukraine	UAH
LLC "Liga Trade TH"	Ukraine	UAH

Management has determined the EUR as the presentation currency of these combined financial statements. Financial information the Group was converted from UAH and USD to EUR, rounded to the nearest thousand.

For the purpose of these consolidated financial statements presentation, assets and liabilities of the Group's companies are translated from UAH and USD to EUR at the foreign exchange rates at each balance sheet date and income and expenses are translated at average foreign exchange rates for each reporting period. All related to this differences from presentation of consolidated financial statements in presentation currency are recognized as a separate component of equity. Foreign exchange rates were obtained from the National Bank of Ukraine Federation data.

National Bank of Ukraine foreign exchange rates used during the consolidated financial statements preparation:

	100 EUR/UAH	100 EUR/USD
For the year ended 31 December 2023	4 220.790	110.50
Average for 2023	3 956.189	108.13
For the year ended 31 December 2022	3 895.100	106.66
Average for 2022	3 399.539	105.30
For the year ended 31 December 2021	3 092.260	113.26
Average for 2021	3 230.899	118.27

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the end of the reporting period.

The Ukrainian hryvnia is not a freely convertible currency outside of Ukraine, therefore, in accordingly conversion of UAH in EUR should be treated as amounts in UAH have been, can be or will be in the future converted into EUR at the determined rate or any other exchange rate.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

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Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to the Group's shareholders is recognized in the Group's financial statements in the year in which they are approved by the Board of Directors.

Biological assets

Livestock are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit. Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking. The fair value of milk is determined based on market prices in the local area.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Property under construction	
Buildings	2-5
Agricultural equipment	7-10
Motor vehicles and other fixed assets	10-20
Production equipment	5-10

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement 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 profit or loss.

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Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognized in profit or loss as revenue.

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

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognized yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

Loans granted

Loans originated by the Group by providing money directly to the borrower are categorized as loans and are carried at amortized cost. The amortized cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognized when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortized cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost is determined using the first-in-first-out basis with the exception of Vostokagrokontrakt which uses the weighted average method. The costs of finished goods and semi-finished goods comprises materials, direct labour, other direct costs and related production overheads (based on normal operating activity) but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Lease

Determining whether a transaction is a lease, or whether it contains lease attributes, is based on an analysis of the transaction content. A contract as a whole or its individual components is a lease agreement if this agreement transfers the right to control the use of the identified asset for a certain period in exchange for a refund.

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Group as a lessee

At commencement of the lease term, the lessee measures the right-of-use asset at the initial cost, which should include the following:

- the amount of the initial measurement of the lease liability;
- lease payments at or prior to commencement, net of discounts received;
- any initial direct costs incurred by the lessee;
- the measurement of the costs that will be incurred by the lessee when dismantling and moving the underlying asset after the contract termination.

At commencement of the lease term, the lease liability is initially measured by the Group at the present value of the lease payments payable over the lease term. Lease payments are discounted at the interest rate implicit in the lease agreement. If such a rate cannot be readily determined, the Group uses the effective interest rate for attracting additional borrowings in the same currency calculated from the latest annual or interim statements prepared on the date of the agreement.

The right-of-use assets are recognised in the lessee's statement of financial position separately from other assets.

The Group does not apply the above-mentioned requirements for the recognition of assets and liabilities for short-term leases or leases in which the underlying asset has a value of less than 5 thousand Euros. The lessee recognizes lease payments for such leases as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating lease. Initial direct costs incurred when entering into an operating lease are included in the carrying amount of the leased asset and recognized over the lease term in proportion to the lease income. Contingent lease payments are recognized as income in the period in which they were accrued.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is influenced by interest rate risk, credit, liquidity, liquidity risk, currency risk and capital management due to the existence of financial instruments. Information concerning the influence of these risks on the Group, goals of the Group, its policy and procedures of risk measurement and management are disclosed in the notes below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk is a risk of financial losses of the Group in the case of counterpart's failure of complying with liabilities to the Group in accordance with the contract. In the reporting financial period, assets of the Group which are subject to such risk are represented by cash in bank, trade and other receivables (except receivables, which are not financial assets by nature).

Sensitivity to credit risk

Carrying amount of financial assets is the maximum value, which is a subject to financial risk. Maximum value of credit risk as at 31 December 2023 and 31 December 2022 disclosed in the following table:

3.2 Assets in the Consolidated Statement of Financial Position	31.12.2023	31.12.2022
	€'000	€'000
Net trade receivables	13 783	18 330
Cash and cash equivalents	1 773	2 544
Total:	15 556	20 874

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Credit risk of the Group mainly relates to trade receivables with customers (purchasers of goods). Susceptibility of the Group to credit risk mainly depends on features of each client.

3.3 Liquidity risk

Liquidity risk is the risk of failure of complying with Group's financial liabilities at the date of their settlement. Group's approach to liquidity management consists in securing (as much as possible) constant presence of liquidity, which would make possible to settle liabilities in time (both in regular conditions, and in extraordinary ones), allowing to avoid additional costs or damage of Group reputation.

Management of the Group is liable for maintaining the required level of liquidity. Related structure of maintaining of the Group's requirements of short- and long-term financing and for liquidity control was developed by the management of the Group. The Group manages this risk by maintaining sufficient reserves, utilization of bank resources and loans. It monitors also the planned and actual cash flows, matches inflow and outflow of cash.

Liquidity analysis is to compare assets, grouped according to their degree of liquidity and arranged in descending order of liquidity, with liabilities, grouped by maturity dates and arranged in ascending order of maturity.

3.3.1 Assets in descending order of liquidity

	31.12.2023	31.12.2022
	€'000	€'000
The most liquid assets (A1)	1 773	2 544
Quick assets (A2)	13 783	18 330
Slow assets (A3)	9 713	11 879
Difficult to sell assets (A4)	35 087	37 672
Total:	60 356	70 425

3.3.2 Liabilities in ascending order of maturity

	31.12.2023	31.12.2022
	€'000	€'000
The most forward liabilities (L1)	14 637	15 940
Current liabilities (L2)	10 323	13 662
Non-current liabilities (L3)	4 679	6 815
Equity (L4)	30 717	34 008
Total:	60 356	70 425

The absolute amounts of payment excess or deficiency as at 31.12.2023 and 31.12.2022 are presented in the table below:

	Excess (deficiency)	
3.3.3 Groups of assets and liabilities	31.12.2023	31.12.2022
	€'000	€'000
1	(12 864)	(13 396)
2	3 460	4 668
3	5 034	5 064
4	4 370	3 664

The Statement of financial position is considered to be absolutely liquid, if: $A1 > L1$, $A2 > L2$, $A3 > L3$, $A4 < L4$. As at 31.12.2023, three of four conditions of liquidity fulfilled.

The following table provides a liquidity analysis of the Group as at 31.12.2023 and 31.12.2022 with use of liquidity indicators calculation:

3.3.4 Liquidity indicators	31.12.2023	31.12.2022
Absolute liquidity ratio	0,071	0,086
Quick liquidity ratio	1,037	1,019
Current liquidity ratio	1,012	1,106

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The absolute liquidity ratio shows the amount of payables that entity can repay immediately. This ratio should not be below 0.2. As at 31.12.2023, the Group may immediately pay off less than 7.1% payable (as at 31.12.2022 – 8.6%).

The quick liquidity ratio shows how liquid funds of the entity cover its current liabilities. Liquid assets include all current assets of the entity, except for inventories. The recommended ratio from 0.7-0.8 to 1.5. As at 31.12.2023 the Group's liquid assets cover its current liabilities by 100% (as at 31.12.2022 – 100% too).

The current liquidity ratio shows whether the entity owns enough funds that may be used to repay its current liabilities during the year. The recommended ratio is from 1 to 2. As at 31.12.2023, the Group has enough funds to repay its current liabilities.

The table below represents the analysis of Group's monetary liabilities by maturities based on the remaining term at the reporting date to the contractual maturity date, after 31 December 2023:

3.3.5 Liabilities in the Consolidated Statement of Financial Position as at 31.12.2023	From 1 to 5		Total €'000
	Up to 1 year €'000	years €'000	
Non-current borrowings	-	2 289	2 289
Current borrowings	10 323	-	10 323
Trade and other payables	14 637	-	14 637
Total:	24 960	2 289	27 249

The table below represents the analysis of Group's monetary liabilities by maturities based on the remaining term at the reporting date to the contractual maturity date, after 31 December 2022:

3.3.5 Liabilities in the Consolidated Statement of Financial Position as at 31.12.2022	From 1 to 5		Total €'000
	Up to 1 year €'000	years €'000	
Non-current borrowings	-	4 415	4 415
Current borrowings	13 155	-	13 155
Trade and other payables	15 940	-	15 940
Total:	29 095	4 415	33 510

Amounts of trade and other payables presented in tables above, do not include payables on advances received, payables to employees and tax payables.

According to plans of the Group, previously planned requirements concerning working capital fulfilled for both inflow of cash from operating activities, and inflow from borrowings, when amount of cash is not enough.

3.4 Currency risk

Management establishes limits to the currency risk exposure by currencies and as a whole. There is a control over positions. Solely monetary assets and liabilities are included in the analysis. Non-monetary assets not considered as those being able to bring to a significant currency risk.

According to IFRS 7 "Financial Instruments: Disclosures", currency risk appears as regards monetary financial instruments in currency being not functional; risks associated with currency translation are not taken into account. Currency risk arises, mainly, in respect of non-functional currencies, in which the Group has financial instruments.

Mainly the Group performs its activities in the following currencies: EUR, USD, UAH.

The table below represents sensitivity of the Group's profit (loss) to a possible moderate change in exchange rate, when other components remain unchanged:

31.12.2023	Increase/ Decrease	Effect on profit before tax €'000
EUR	5%	(648)
EUR	(5%)	648
USD	5%	60
USD	(5%)	(60)

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31.12.2022	Increase/ Decrease	Effect on profit before tax €'000
EUR	5%	(343)
EUR	(5%)	343
USD	5%	403
USD	(5%)	(403)

The table below represents the Group's monetary assets and liabilities at their carrying amount as at 31 December 2023 and 31 December 2022.

As at 31 December 2023:

	UAH €'000	EUR €'000	USD €'000	Total €'000
Non-current borrowings	(606)	(1 683)		(2 289)
Current borrowings	(980)	(9 343)	-	(10 323)
Trade and other payables	(12 393)	(2 068)	(122)	(14 583)
Total financial liabilities	(13 979)	(13 094)	(122)	(27 195)
Cash and cash equivalents	963	-	810	1 773
Trade and other receivables	13 146	132	505	13 783
Total financial assets	14 109	132	1 315	15 556
Total carrying amount exposed to risk	130	(12 962)	1 193	(11 639)

As at 31 December 2022:

	UAH €'000	EUR €'000	USD €'000	Total €'000
Non-current borrowings	(28)	(4 387)		(4 415)
Current borrowings	(3 039)	(933)	-	(3 972)
Trade and other payables	(7 336)	(8 086)	(496)	(15 918)
Total financial liabilities	(10 403)	(13 406)	(496)	(24 305)
Cash and cash equivalents	286	1 752	506	2 544
Trade and other receivables	5 495	4 788	8 047	18 330
Total financial assets	5 781	6 540	8 553	20 874
Total carrying amount exposed to risk	(4 622)	(6 866)	8 057	(3 431)

3.5 Capital risk management

Capital management of the Group is directed on maintenance of continuous activities of the Group with the simultaneous increase in profits for shareholders through optimization of gearing.

Management of the Group maintains capital on the level, which is sufficient for achievement strategic and operational requirements and for support the trust of other players of the market. This is achieved through efficient cash management, continuous control of revenue and profit of the Group, and also planning of long-term investments, which are financed using cash flows from the operating activity of the Group. By carrying out these actions, Group is trying to provide the permanent increase of profits.

3.5.1 Calculation of financial indicators	31.12.2023 €'000	31.12.2022 €'000
Share capital	31	31
Share premium	953	953
Translation reserve	(18 261)	(14 985)
Retained earnings	45 939	46 119
Non-controlling interests	2 055	1 890
Total equity	30 717	34 008
Non-current borrowings	2 289	4 415
Current borrowings	10 323	13 155
Trade and other payables	14 637	15 940

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3.5.1 Calculation of financial indicators	31.12.2023	31.12.2022
	€'000	€'000
Total borrowings	27 249	33 510
Cash and cash equivalents	1 773	2 544
Net debt	25 476	30 966
Total equity and net debt	56 193	64 974
Net debt/ Total equity and net debt	0,453	0,477

Accumulated profit of the Group is characterized by decrease. Thus, from 31.12.2022 to 31.12.2023 the indicator has decreased by EUR 180 thousand. As at 31.12.2023 the total equity decreased by EUR 3 291 thousand compared with 2022. As at 31.12.2023 the total amount of borrowings decreased by EUR 6 261 thousand compared with 2022. As at 31.12.2023, the total amount of borrowings was EUR 27 249 thousand.

3.5.2 Calculation of financial indicators	Year ended	Year ended
	31.12.2023	31.12.2022
	€'000	€'000
Profit (loss) before tax	(302)	(1 634)
Financial income/(expenses), net	(758)	(1 344)
Exchange rate differences, net	(568)	(4 698)
EBIT (earnings before interests and taxes)	1 024	4 408
Depreciation of property, plant and equipment and amortization of intangible assets	2 277	2 370
EBITDA (earnings before interests, taxes, depreciation and amortization)	3 301	6 778
Net debt at the end of the year	25 476	30 966
Net debt at the end of the year / EBITDA	7,718	4,569

The term EBITDA means an analytical indicator, equal to the amount of profit before accrued interest expenses, taxes and depreciation deductions and exchange rate differences. In 2023, EBITDA indicator has decreased compared with 2022 by EUR 3 477 thousand.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for bad and doubtful debts

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Provision for obsolete and slow-moving inventory

The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

The amount of provision is recognized in profit or loss. The review of the net realizable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

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Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Impairment of non-financial assets

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. REVENUE

	Year ended 31.12.2023	Year ended 31.12.2022
5.1 Sales revenue	€'000	€'000
Finished goods sold	25 760	28 925
Goods sold	18 197	18 229
Services rendered	305	301
Income from change in fair value of biological assets and agricultural products	(803)	272
Total sales revenue:	43 459	47 727

6. OTHER OPERATING INCOME / (EXPENSES), NET

	Year ended 31.12.2023	Year ended 31.12.2022
6.1 Other operating income/(expenses), net	€'000	€'000
Losses/gain on current assets sold	71	127
Write-off of accounts receivable and advances given	(507)	(353)
Income from write-off of accounts payable	9	5
Free revenues from tolling sunflower processing	69	477
Other income	50	8
Other operating expenses	(172)	459
Total:	(480)	723

7. EXPENSES

	Year ended 31.12.2023	Year ended 31.12.2022
7.1 Cost of sales	€'000	€'000
Materials inc. changes in inventories	(30 979)	(35 192)
Services	(3 705)	(766)
Depreciation and amortization	(2 149)	(2 370)
Lease	(585)	(608)
Depreciation and amortization (land)	(38)	(48)
Staff costs	(96)	(232)
Taxes	(3)	(7)
Total:	(37 555)	(39 223)

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	Year ended 31.12.2023	Year ended 31.12.2022
	€'000	€'000
7.2 Administrative expenses		
Depreciation and amortization	(50)	(75)
Materials	(63)	(48)
Staff costs	(272)	(289)
Services	(234)	(326)
Taxes	(79)	(49)
Total:	(698)	(787)

	Year ended 31.12.2023	Year ended 31.12.2022
	€'000	€'000
7.3 Distribution expenses		
Depreciation and amortization	(78)	(79)
Transport services	(3 355)	(3 683)
Marketing and promotion services	-	(111)
Other services	(133)	(49)
Materials	(81)	(46)
Staff costs	(55)	(64)
Total:	(3 702)	(4 032)

8. FINANCIAL INCOME/ (EXPENSES), NET

	Year ended 31.12.2023	Year ended 31.12.2022
	€'000	€'000
8.1 Financial income/ (expenses), net		
Bank interest income	32	54
Unrealised exchange profit	108	35
Interest expense	(846)	(1 085)
Other finance expenses	(31)	(101)
Finance lease interest (land)	(21)	(247)
Total:	(758)	(1 344)

9. TAXES

	Year ended 31.12.2023	Year ended 31.12.2022
	€'000	€'000
9.1 Tax recognized in profit or loss		
Profit (loss) before tax	(302)	(1 634)
Overseas tax from tax rate 18%	-	-
Deferred tax effect	666	(104)
Effect change tax rate	(379)	(475)
Charge/(credit) for the year	287	(579)

The corporation tax rate varies is 12.5% for the Cyprus entity and up to 18% for the Ukrainian entities.

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10. PROPERTY, PLANT AND EQUIPMENT

10.1. Property, Plant and Equipment

	31.12.2023	31.12.2022
	€'000	€'000
Historical cost	42 633	43 447
Accumulated depreciation	(8 123)	(6 548)
Net carrying amount	34 510	36 899
Construction in progress	5 035	3 724
Buildings and structures	19 738	21 722
Agricultural equipment	290	389
Production equipment	7 804	9 223
Vehicles	1 643	1 841
Total:	34 510	36 899

	Buildings	Property under construction	Agricultural equipment	Motor vehicles and other fixed assets	Production equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
Balance at 31 December 2021	26 518	648	1 343	3 258	14 188	45 955
Additions	3 431	3 319	6	65	343	7 164
Disposals	(13)	(126)	(9)	(1)	(2)	(151)
Exchange differences	(5 488)	(117)	(276)	(680)	(2 960)	(9 521)
Balance at 31 December 2022	24 448	3 724	1 064	2 642	11 569	43 447
Balance at 31 December 2022	24 448	3 724	1 064	2 642	11 569	43 447
Additions	629	2 905	1	142	307	3 984
Disposals	(7)	(1 040)	(31)	(163)	(33)	(1 274)
Exchange differences	(1 922)	(554)	(52)	(64)	(932)	(3 524)
Balance at 31 December 2023	23 148	5 035	982	2 557	10 911	42 633
Depreciation						
Balance at 31 December 2021	(2 356)	-	(756)	(643)	(1 863)	(5 618)
Charge for the year	(985)	-	(85)	(304)	(996)	(2 370)
On disposal	5	-	7	1	2	15
Exchange differences	610	-	159	145	511	1 425
Balance at 31 December 2022	(2 726)	-	(675)	(801)	(2 346)	(6 548)
Balance at 31 December 2022	(2 726)	-	(675)	(801)	(2 346)	(6 548)
Charge for the year	(955)	-	(76)	(201)	(1 045)	(2 277)
On disposal	3	-	-	-	22	25
Exchange differences	268	-	59	88	262	677
Balance at 31 December 2023	(3 410)	-	(692)	(914)	(3 107)	(8 123)
Net book value						
Balance at 31 December 2023	19 738	5 035	290	1 643	7 804	34 510
Balance at 31 December 2022	21 722	3 724	389	1 841	9 223	36 899
Balance at 31 December 2021	24 162	648	587	2 615	12 325	40 337

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11. BIOLOGICAL ASSETS

11.1 Biological assets	Year ended 31.12.2023 €'000	Year ended 31.12.2022 €'000
Balance at 1 January	436	550
Decrease in value due to disposal and products gathering	(1 235)	(3 019)
Increase in value due to capitalized expenses	(943)	383
Exchange difference	2 545	2 250
Gains arising from changes in fair value	(803)	272
Balance at 31 December	-	436
Non-current portion	-	13
Current portion	-	423
Total:	-	436

11.2 Biological assets cost	31.12.2023 €'000	31.12.2022 €'000
Non-current biological assets		
Cattle	-	-
Gardens	-	13
Current biological assets		
Cattle	-	-
Sunflower	-	-
Wheat	-	352
Other cereals	-	71
Total:	-	436

12. NON-CURRENT LOANS RECEIVABLE

12.1. Non-current loans receivable	31.12.2023 €'000	31.12.2022 €'000
Loans to shareholders	-	-
Total:	-	-

13. INVENTORIES AND WORK IN PROGRESS

13.1 Inventories and work in progress	31.12.2023 €'000	31.12.2022 €'000
Raw and materials	1 162	610
Work in progress	3 173	2 725
Agricultural products and finished goods	3 677	6 933
Goods	859	426
Fuel	293	270
Spare parts and building materials	549	484
Other inventories	-	8
Total:	9 713	11 456

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14. TRADE AND OTHER RECEIVABLES

14.1. Trade receivables	31.12.2023	31.12.2022
	€'000	€'000
Trade receivables of customers	3 989	7 701
Doubtful debts allowance	(454)	(254)
Trade receivables to related parties (note 21.3)	56	61
Trade receivables, net	3 591	7 508

14.2 Trade receivables by the period (overdue, but not impaired)	31.12.2023	31.12.2022
	€'000	€'000
less than 60 day	2 378	5 180
60-90 days	126	76
90-120 days	52	12
more than 120 days	1 035	2 240
Total:	3 591	7 508

14.3 Doubtful debts allowance	31.12.2023	31.12.2022
	€'000	€'000
Opening balance	(254)	(20)
Allowance reversal	53	51
Charge to allowance	(253)	(285)
Closing balance	(454)	(254)

14.4 Other receivables	31.12.2023	31.12.2022
	€'000	€'000
Advances made	571	1 211
Doubtful debts allowance for advances	(234)	(52)
Tax prepayments	3 316	3 110
Non-interest bearing financial loans issued	6 495	6 427
Other current receivables	13	12
Other receivables to related parties (note 21.3)	31	114
Total:	10 192	10 822

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the consolidated financial statements.

15. CASH AND CASH EQUIVALENTS

	31.12.2023	31.12.2022
	€'000	€'000
Cash at bank in national currency, UAH	962	286
Cash at bank in foreign currency, EUR	-	1 752
Cash at bank in foreign currency, USD	811	506
Total:	1 773	2 544

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16. ISSUED CAPITAL AND RESERVES

16.1. Issued capital	31.12.2023	31.12.2022
	€'000	€'000
Issued capital	31	31
Total:	31	31

	2023	2023	2022	2022
	Number of shares	€'000	Number of shares	€'000
Authorised				
Ordinary shares of €0,2 each	1,537,800	31	1,537,800	31
Issued and fully paid				
Balance at 1 January	1,537,800	31	1,537,800	31
Balance at 31 December	1,537,800	31	1,537,800	31

17. BORROWINGS

17.1. Borrowings	% rate, %	Currency	31.12.2023	31.12.2022
			€'000	€'000
Long-term borrowings			1 710	4 415
Loans from related undertakings (note 21.6)	-	UAH	27	28
Ukrainian bank 1	4,0-4,5%	EUR	1 683	4 387
Short-term borrowings			9 540	12 179
Ukrainian bank 1	5,5%	UAH	8 624	9 183
Ukrainian bank 1	11%	UAH	-	2 996
Ukrainian bank 2	16%	UAH	916	-
Current portion of long-term borrowings			719	976
Ukrainian bank 1	4,5%	EUR	719	933
Ukrainian bank 4	0,01%	UAH	-	43
Total:			11 969	17 570

18. DEFERRED TAXES

Deferred tax calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 9). The applicable corporation tax rate in the case of tax losses is 12.5% and 18% for the Cyprus and Ukrainian entities respectively.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred tax assets and liabilities offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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The movement on the deferred taxation account is as follows:

Deferred tax liability

	Non-current assets €'000	Prepayments €'000	Doubtful debts reserves €'000	Total €'000
Balance at 31 December 2021	1 628	-	-	1 628
Charged/(credited) to:				
Statement of profit or loss and other comprehensive income	88	-	-	88
Balance at 31 December 2022	1 716	-	-	1 716
Charged/(credited) to:				
Statement of profit or loss and other comprehensive income	674	-	-	674
Balance at 31 December 2023	2 390	-	-	2 390

Deferred tax assets

	Non-current assets €'000	Advances from clients €'000	Doubtful debts reserves €'000	Total €'000
Balance at 31 December 2021	-	-	7	7
Charged/(credited) to:				
Statement of profit or loss and other comprehensive income	-	-	16	16
Balance at 31 December 2022	-	-	23	23
Charged/(credited) to:				
Statement of profit or loss and other comprehensive income	-	-	8	8
Balance at 31 December 2023	-	-	31	31
Deferred tax liabilities/ (assets), net	(2 390)		31	(2 359)

19. TRADE AND OTHER PAYABLES

19.1. Trade and other payables

	31.12.2023 €'000	31.12.2022 €'000
Trade payables	5 677	7 132
Trade payables from related parties (note 21.5)	2 047	1 725
Prepayments from clients	426	202
Interest-free financial loans received	6 390	6 620
Other creditors	43	239
Total:	14 583	15 918

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

20. OPERATING ENVIRONMENT OF THE GROUP

Russia began a full-scale invasion of Ukraine on 24 February 2022, in an escalation of the Russo-Ukrainian War that began in 2014. The invasion is the largest conventional military attack on a sovereign state in Europe since World War II.

Shortly afterwards, Russian Ground Forces entered Ukraine, prompting Ukrainian president Volodymyr Zelenskyy to enact martial law and general mobilization.

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As at the date of approval of the financial statements, the Group operates in an unstable environment associated with the war and other crisis phenomena in Ukraine and the world. The martial law introduced by the Decree of the President of Ukraine as of February 24, 2022 No. 64/2022 "On the imposition of martial law in Ukraine" was in effect until the end of the reporting year and was extended by the corresponding Presidential Decrees until May 13, 2024.

By the end of 2023, the amount of direct revenue from the agro-industrial complex of Ukraine amounts to \$8.7 billion. The largest share of expenses will be spent through the reduction and deterioration of agricultural technology - \$4.66 billion. Others depending on the size of the category This means spending through the reduction and theft of processed products - \$1.9 billion of the total costs were incurred by the infrastructure for the conservation of processed agricultural products - \$1.32 billion. The total volume of stored grain crops amounts to 8.2 million tons of processed agricultural products, and the number of damaged grain crops equates to 3.2 million tons of one-hour savings.

The key aspect of the activities of agricultural companies in Ukraine is Logistics. Until February 24, 2022, Ukraine shipped all its grain by sea – on average 8 million tons per month. In birch and breastfeeding 2022, the monthly average exports dropped to 3.9 million tons.

The unblocking of Ukrainian ports within the framework of the “grain land” ensured a significant portion of military agricultural exports – 32 million tons. Until the time of the expansion of the “grain land” (“Grain Corridor” ran from September 2022 to 17 June 2023), the deep-water sea all ports have secured 50% of the vantage flow, Western cordons – 25%, ports of the Danube – 25%.

In this way, agriculture is limited in the choice of routes for the export of moisture products. Existing routes may limit the capacity of the building, and their low cost of production. As a result, the quality of the product balances on the margin, and hence the production is no longer profitable for business.

21. RELATED PARTY TRANSACTIONS

The Company is controlled by Mr Oleksandr Berdnyk (owns of 41.66% of Company's shares) and Ms Iryna Poplavskaya (owns of 41.66% of Company's shares).

Below is information on the distribution of shares in the authorized capital:

Stockholder	Number of shares	Participation in share capital
Oleksandr Berdnyk	640,750	41,66%
Irina Poplavskaya	640,750	41,66%
Free float	256,300	16,68%
Total:	1,537,800	100,00%

The percentage of Company's shares that is floated on the stock exchange is 16.68%. No other shareholder owns more than 5% of Company's shares.

The following transactions were carried out with related parties:

21.1 Sales of goods and services

Name	Nature of transactions	Year ended	Year ended
		31.12.2023	31.12.2022
		€'000	€'000
Y. Poplavskiy	Trade	-	147
E. Palatovska	Trade	-	10
G. Tamaryan	Trade	1	20
Total:		1	177

Sales to the related parties made on commercial terms and conditions.

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21.2 Purchases of goods and services

Name	Nature of transactions	Year ended	Year ended
		31.12.2023	31.12.2022
		€'000	€'000
M. Yakovleva	Trade	12	13
I. Poplavskaya	Trade	-	97
G. Tamaryan	Trade	-	158
Total:		12	268

Purchases from related parties made on commercial terms and conditions.

21.3 Receivables from related parties (notes 14.1 and 14.4)

Name	Nature of transactions	31.12.2023	31.12.2022
		€'000	€'000
I. Poplavskaya	Trade	4	66
G. Tamaryan	Trade	52	56
L. Kazanina	Other	2	3
I. Poplavskaya	Other	25	5
S. Berdnyk	Other	-	2
O. Berdnyk	Other	4	22
M. Yakovleva	Other	-	21
Total:		87	175

21.4 Loans to shareholders

	31.12.2023	31.12.2022
	€'000	€'000
Loan to shareholders	114	109
Total:	114	109

The loan to shareholders provided interest free, and there was no specified repayment date.

21.5 Payables to related parties (note 19.1)

Name	Nature of transactions	31.12.2023	31.12.2022
		€'000	€'000
I. Poplavskaya	Trade	116	126
O. Berdnyk	Trade	24	27
M. Tamaryan	Trade	127	138
G. Tamaryan	Trade	297	322
M. Yakovleva	Trade	251	260
Y. Poplavskiy	Other	27	-
S. Berdnyk	Other	31	-
O. Berdnyk	Other	545	521
I. Poplavskaya	Other	492	265
E. Palatovska	Other	3	3
M. Tamaryan	Other	16	18
M. Yakovleva	Other	114	41
L. Kazanina	Other	4	4
Total:		2 047	1 725

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21.6 Loans from related undertakings (note 17.1)

	31.12.2022	31.12.2021
	€'000	€'000
Loans from related parties	27	28
Total:	27	28

The loan from related parties was provided interest free, and has no specified repayment date.

22. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Group leases land. The relationship is formed by lease agreements for a period of 2 to 99 years, followed by an extension of the term by concluding additional agreements. Changing the terms of contracts and their early termination is possible by agreement of the parties or by a court decision. Under contracts, the group does not have the right to leaseback transactions after the lease term expires.

Obligations under lease agreements are repaid in UAH.

Lease payments are discounted at the interest rate implicit in the lease agreement. If such a rate cannot be readily determined, the Company uses the effective interest rate for attracting additional borrowings in the same currency calculated from the latest annual or interim statements prepared on the date of the agreement.

The Company's lease agreements relate to groups such as land. As of December 31, 2023, a number of contracts related to farms under occupation and near military operations were suspended.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Historical cost	Land €'000	Total €'000
As at 31 December 2021	1 439	1 439
Additions		
Disposal	(32)	(32)
Exchange differences	(303)	(303)
As at 31 December 2022	1 104	1 104
Additions	18	18
Disposal	(550)	(550)
Exchange differences	70	70
As at 31 December 2023	642	642
Accumulated depreciation	Land €'000	Total €'000
As at 31 December 2021	(256)	(256)
Depreciation expense	(232)	(232)
Disposal	32	32
Exchange differences	89	89
As at 31 December 2022	(367)	(367)
Depreciation expense	(96)	(96)
Disposal	636	636
Exchange differences	(269)	(269)
As at 31 December 2023	(96)	(96)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

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	2023 €'000	2022 €'000
As at 1 January	1 191	1 281
Additions	18	-
Accretion of interest	21	247
Payments	(674)	(426)
Exchange differences	87	89
As at 31 December	643	1 191
Current	64	507
Non-current	579	684

The following are the amounts recognised in profit or loss:

	2023 €'000	2022 €'000
Depreciation expense of right-of-use assets	96	232
Interest expense on lease liabilities	21	247
Expense relating to short-term leases (included in cost of sales)	21	48
Total amount recognised in profit or loss	138	527

23. CONTINGENT LIABILITIES

The tax treatment of the Group's overseas operations may be different to the treatment adopted by the relevant tax authorities. This may expose the Group to the risk of tax fines and penalties, their amount of which may be significant. No provision has been made in these financial statements in respect of this matter.

24. COMMITMENTS

The Group had no capital or other commitments as at 31 December 2023.

25. GOING CONCERN

On February 24, 2022, the President of Ukraine signed Decree No. 64/2022 "On the imposition of martial law in Ukraine". According to the Decree, martial law was imposed from 5:30 am, February 24, 2022, for a period of 30 days. This decision had been proposed by the Council of National Defense and Security of Ukraine in connection with the military aggression of the Russian Federation against Ukraine and is in accordance with Ukrainian law. The martial law introduced by the Decree of the President of Ukraine as of February 24, 2022 No. 64/2022 "On the imposition of martial law in Ukraine" was in effect until the end of the reporting year and was extended by the corresponding Presidential Decrees until May 13, 2024.

For the period of martial law, the constitutional rights and freedoms of man and citizen provided for in Articles 30-34, 38, 39, 41-44, 53 of the Constitution of Ukraine may be temporarily restricted, and temporary restrictions of the rights and legitimate interests of legal entities may be introduced.

As at the date of approval of the financial statements, the Group operates in an unstable environment due to the crisis in Ukraine and worldwide. The impact of military aggression, as well as the effectiveness of state support at the date of preparation of these financial statements, remain uncertain, which makes it impossible to reliably estimate the extent, duration and severity of these effects and their impact on the Group's financial position and performance in future periods.

The stabilization of the economic environment in Ukraine depends on the measures taken by the Government. At the same time, there is no clear understanding of these measures' outcomes. Therefore, it is impossible to reliably assess the effect of the economic environment on the Group's liquidity and income, its stability and structure of transactions with customers and suppliers. Subsequently, a material uncertainty exists that may affect future operations, the recoverability of assets and the Group's ability to settle its liabilities on time.

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An assessment of the impact of events on the Group's financial statements after the balance sheet date will be carried out accordingly. The Group is prepared to make adjustments to its financial statements as soon as the ultimate impact of hostilities on its assets becomes clear. The Group does not intend to cease its operations in 2024-2025.

These financial statements do not include any adjustments that might result from such uncertainty. Information about such adjustments will be communicated if they become evident and can be measured.

26. EVENTS AFTER THE REPORTING PERIOD

Events that occur between the balance sheet date and the date that the financial statements are issued may require adjustments to assets and liabilities. These financial statements do not contain any adjustments related to events after the reporting period.

The martial law introduced by the Decree of the President of Ukraine as of February 24, 2022 No. 64/2022 "On the imposition of martial law in Ukraine" was in effect until the end of the reporting year and was extended by the corresponding Presidential Decrees until May 13, 2024.

27. AUDITOR'S FEES

The details of the fees for the services contracted by entities of the Agroliga Group for the year ended 31 December 2023 with their respective auditors and other audit entities are as follows:

Auditor's fees	2023 €'000	2022 €'000
Kreston Ukraine	16	12
Kreston Proios Ltd	12	12
Total:	28	24

The services provided by the auditors meet the independence requirements established under Audit of Accounts Law, accordingly they do not include the performance of any work that is incompatible with the auditing function.

28. PERSONNEL AND STAFF COSTS

28.1 Headcount

The table below depicts the Agroliga Group's average total headcount, measured in terms of full time equivalents, in 2023 and 2022.

28.1 Headcount	Year ended 31.12.2023 €'000	Year ended 31.12.2022 €'000
PLC "Agroliga Group"	2	2
LLC "Agroliga Group"	4	3
LLC "Agroliga"	31	36
LLC "Vostokagrokontrakt"	10	11
LLC "Agrocom Nova Vodolaga"	251	275
PE "Mechnikovo"	25	26
LLC "Mayak"	12	7
LLC "AGL Energy"	72	63
LLC "Agroliga-Trade"	7	7
LLC "Liga Trade TH"	6	6
Total:	420	436

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28.2 Staff costs

In 2023 and 2022, the Group bore the costs of remuneration to employees in accordance with the rules of the current labour legislation of jurisdictions in which the group carries out its activities.

The table below depicts the Agroliga Group's total payments of employee benefits by categories, in 2023 and 2022.

28.2 Staff costs	Year ended	Year ended
	31.12.2023	31.12.2022
	€'000	€'000
Wages and salaries	911	857
Social security costs	200	189
Pension costs	54	22
Total:	1 165	1 068

The Group does not undertake any additional health or pension obligation for employees.

The consolidated financial statements are available at:

<https://newconnect.pl/companies-card?isin=CY0101452114#reportsTab2>

<http://agroliga.com.ua/>