ANNUAL REPORT 2022

Contents

Company at a Glance

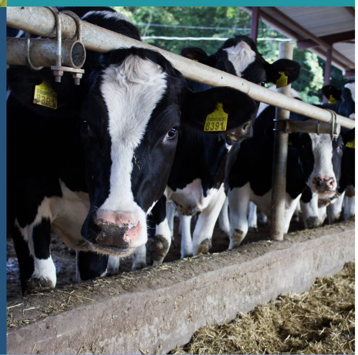
Among the biggest *Ukraine's agricultural businesses by land bank in operation*

562kt

Total grain and oilseeds storage capacity

Every
5th kg

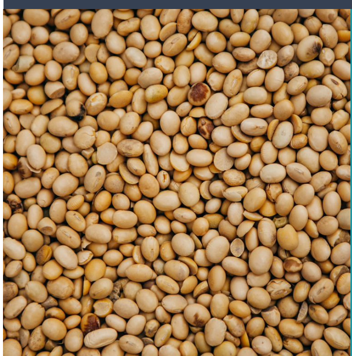
of Ukrainian sugar is produced by Astarta



One of the largest *soybean processors in Ukraine*

№1

country's industrial milk producer



Exports to
40+
countries

2021:
50 countries

EUR
510m
revenues

2021: EUR491m

54%
share of exports in total revenues

2021: 44%

6,591
employees

2021:
4,820
employees

32%
of total workforce are women

2021: 36%

CEO Letter

Since the beginning of the full-scale invasion by russia on 24 February 2022, Astarta had to adjust to the war-time reality of continuing business under extreme conditions. United in the face of aggression, its employees entered the ranks of the Armed Forces of Ukraine, Territorial Defence units and volunteer movement to defend the country and help those suffering most from the military hostilities.

Over 300 of Astarta's employees were serving in the army last year. Sixteen of our employees died on the battlefield. Our business supported and will continue to provide aid to families of those who gave their lives for the country's independence.

In the first several months of the war humanitarian suffering reached the scale not seen since the previous century. Dozen million Ukrainians were displaced internally or had to leave the country in search of safety for children, elderly, and other vulnerable members of society. Many such people were passing through the areas of our business operations in the Central and Western regions.

We responded by providing food, necessities, and temporary accommodation to those seeking safe shelter and by helping local communities to deal with the influx of people. Hundreds, then thousands of our employees got involved in relief effort to lessen the impact of the war, in parallel to performing their day-to-day work duties.

To provide humanitarian assistance in a systematic way Astarta set up Common Help UA project in March 2022 uniting more than 30 domestic and foreign businesses, Western donor and charity organisations to channel aid to those most in need. Astarta's logistics capabilities which have served its business needs well were retooled for a network of regional hubs near our business operations where humanitarian cargo from overseas was received, sorted and distributed throughout the country.

Viktor Ivanchyk, Founder and CEO, Astarta

During ten months of 2022, we have managed to help more than 716k Ukrainians affected by the war and 407 medical and social institutions. The monetary value of charitable contributions and humanitarian aid from the Common Help UA project approached UAH600m.

Since Ukraine is following the European path of sustainable development projects in the areas of energy efficiency, transformation and decarbonization have become a top priority. Energy independence took centre stage during the war.

Astarta's bioenergy facility, built nearly a decade ago, to generate biogas from plant residue of sugar production reached its highest capacity to increase the level of soybean processing plant self-sufficiency in its energy needs. The livestock farms and grain silos have been equipped with electricity generators as a back-up during the war. The sugar plants also generate own electricity during the processing season.

In the same way in-built resilience of Astarta's agricultural farming operations made it possible to deliver higher crop production in 2022. Spring planting was completed during the months of most intense fighting of the war, field operations continued while our commercial department was looking for alternative export routes until the ports of Greater Odesa reopened in August, and autumn harvesting took place under challenging weather conditions.

The Company managed to harvest 839kt of grains and oilseeds and 1.8mt of sugar beet leading to over 282kt of sugar production. Soybean crushing increased by 23% y-o-y to 211kt, milk output grew to 102kt, or up by 6% y-o-y. Exports reached 535kt in grains and oilseeds, 30kt in sugar and 150kt in soybean products.

The Company also managed to deliver sound financial results with revenues exceeding half a billion Euros – the highest level in Astarta's public history. Gross profit reached EUR207m (down 5% y-o-y) translating into a strong gross margin of 41% (45% in 2021). EBITDA reached EUR155m corresponding to 30% EBITDA margin (41% in 2021).

In March 2023 Astarta marked its 30th anniversary. On its growth path Astarta faced many challenges the nature of which related little to the Company, but volatile markets, political and economic instability and eventually – the war. Its diversified business model, professional team and support from key stakeholders allowed the Company to withstand these headwinds. The most important achievement was building a strong and united team to drive business. We managed to preserve operating activities, resolve exports and establish a large-scale humanitarian project. We will continue to pave the way towards Victory of Ukraine through efficient production, humanitarian assistance, developing local communities and helping the Ukrainian Army.

Sincerely,

Viktor Ivanchyk
Founder and CEO

Astarta's History

1993
Astarta was founded on March 2, 1993

1997
Start of the agricultural business

1999
Acquisition of the first sugar plant in the Poltava region and start of the Sugar Production business

2003 2013
Expansion of sugar business through the acquisition of mills in three regions of Ukraine

2006
Successful Initial Public Offering (IPO) of Astarta on the Warsaw Stock Exchange

2007 2009
Major farmland expansion

2010
Opening of the first silo in the Khmelnytskyi region

2011 2012
Expansion of the Cattle Farming business

2014
- Opening of the bioenergy facility in the Poltava region
- Development of the fourth business segment via launch of the soybean processing plant

2015 2019
Expansion the grain and oilseeds silo network

2017
- Launch of AgriChain – an innovative IT solution for agribusiness
- Opening of the in-house Feed Centre in the Poltava region

2020
Start of organic farming

2021
- Introduction of the inverted sugar production line
- Debut dividends for 2020

2022
- Start of the Decarbonization Strategy development
- Astarta co-founded a large-scale humanitarian project Common Help UA

2023
30th anniversary of Astarta foundation

Astarta is one of the largest vertically integrated agro-industrial holdings in Ukraine. The Company's main activities include grain and oilseeds production, sugar production from sugar beets and raw cane sugar processing, soybean crushing, milk production, as well as grain and oilseeds storage and handling services.

For over 30 years, since 1993, the Company has proven to be a reliable and trustworthy partner and supplier, committed to the best international standards in terms of quality, innovation, and sustainability. Integrity, transparency, and strengths of its human capital has also been among Astarta's key priorities. The Company maintains a nation-wide presence with around 6.5 thousand employees based at its production and storage facilities in seven regions. Their dedication and expertise determine Astarta's success.

The Company established stable long-term business relationships with leaders of the Ukrainian food processing, confectionary and retail industries. A growing part of its production has was exported through international agricultural traders to 41 countries during 2022.

Map of Operations

Astarta Head Office

Region of operation

Poltava region

- **130kha** leased land
- **4** sugar plants
- **4** grain silos
- **19k** heads
- **1** soybean processing plant
- **1** bioenergy plant

Vinnytsya region

- **17kha** leased land
- **1** sugar plant
- **1** grain silo
- **1k** heads

Khmelnytskyi region

- **43kha** leased land
- **1** sugar plant
- **2** grain silos
- **3k** heads

Chernihiv region

- **4kha** leased land

Kharkiv region

- **4kha** leased land

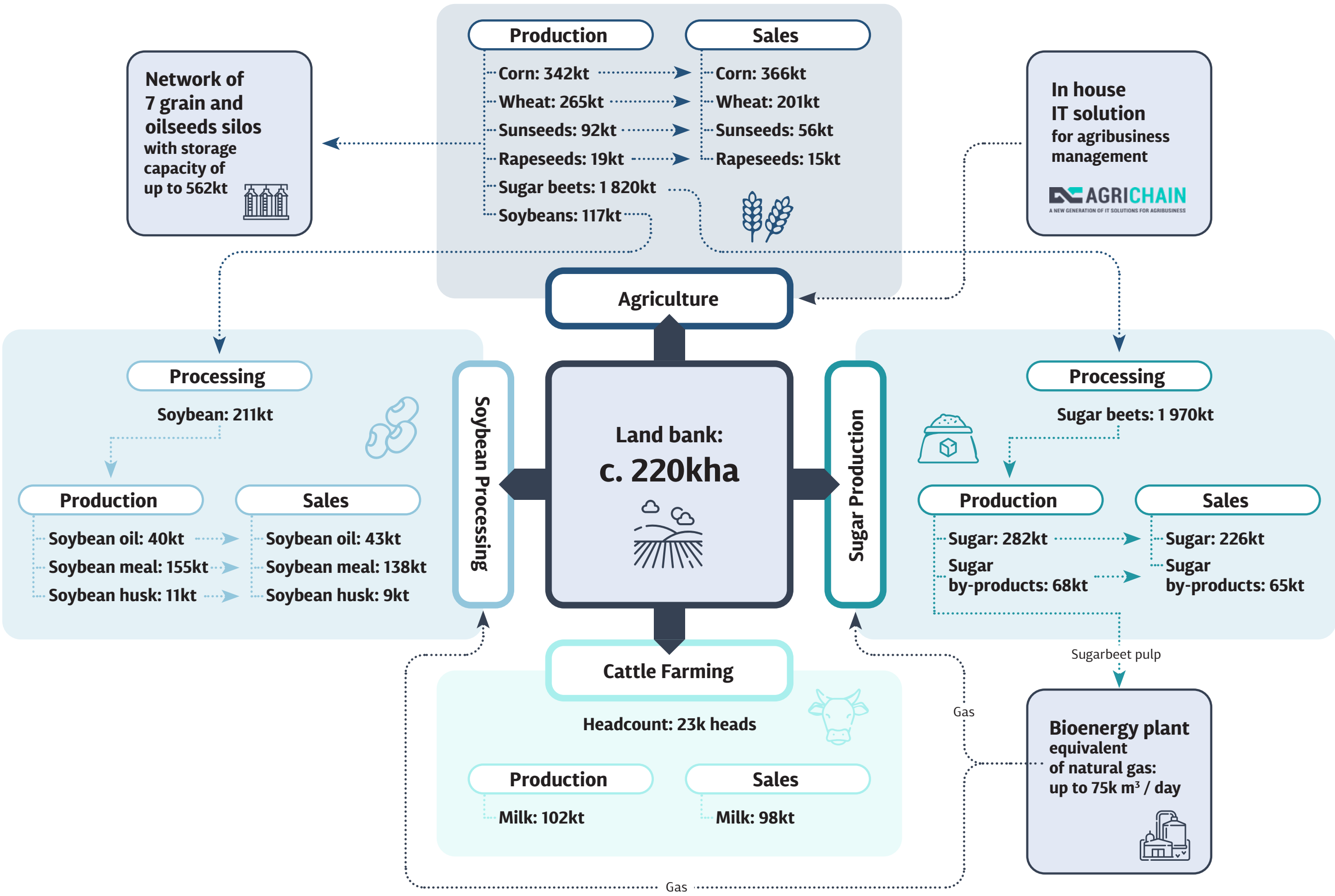
Zhytomyr region

- **11kha** leased land

Ternopil region

- **7kha** leased land

Business Model



Agriculture

- c. 220kha under management. Key crops: corn, wheat, sunseeds, sugar beets, soybeans, rapeseeds.
- In-house storage and handling facilities with capacity of 562kt.
- Modern agriculture machinery fleet.
- A proprietary integrated multi-module IT solution for agribusiness management.

Sugar Production

- Certified producer of high-quality sugar
- Five operating sugar production plants.
- One of the biggest sugar producers in Ukraine with 21% market share.
- Self-sufficient in raw materials with more than 80% of sugar beets grown in-house.
- Partnerships with local farmers to secure sugar beets supply

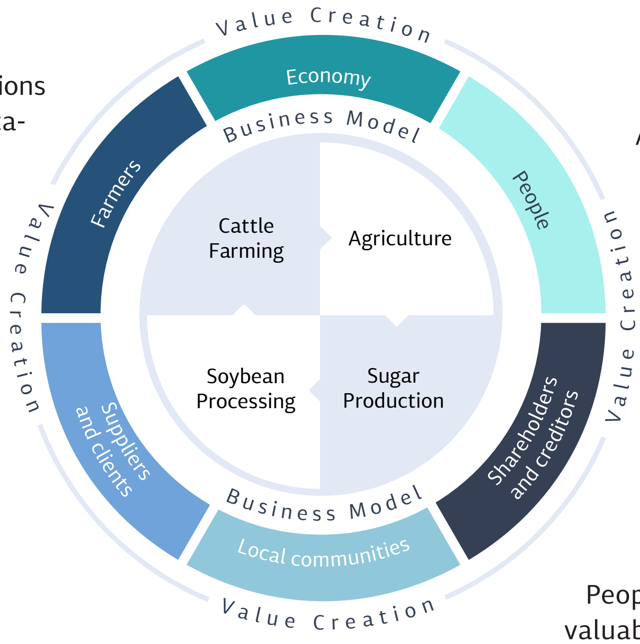
Soybean Processing

- One of the biggest soybean processors in Ukraine.
- 41% of supply from in-house high quality soybeans.
- Partnerships with local farmers to secure soybeans supply.

Cattle Farming

- Biggest industrial dairy farmer supplying premium quality milk in Ukraine.
- 23k heads of cattle.
- 102kt of milk produced.
- Own feed centre and inputs.

Value Creation



For the economy

One of the key direct contributions to the Ukrainian economy is taxes paid by the Company. In 2022 Astarta paid UAH1.6bn (EUR48m) in taxes and duties in Ukraine including UAH629m (EUR19m) into the State budget of Ukraine and UAH972m (EUR31m) into the local budgets of the regions of Astarta's presence.

For shareholders and creditors

Astarta proved to be a reliable and trusted partner for top local and international financial institutions enjoying stable access to financing sources. In 2022 Astarta paid EUR7m in loan interest.

For farmers

Astarta closely cooperates with local farmers on supply of sugar beets to its sugar plants as well as to procuring grains and oilseeds for trading. In 2022 Astarta procured over 350kt of sugar beet and 210kt of grains and oilseeds through the Partnership

For people

People are the most vulnerable and valuable capital of the business. The Company pays a lot of attention to the development of its employees, works hard towards retention of talent and adheres to a collaborative approach in relations with the workforce. In 2022 Astarta employed 6,591 people 93% of whom were employed in the rural area. Total contribution by the Company in the form of salary, wages and additional financial incentives was EUR57m in 2022.

For local communities

As a land operator, Astarta actively interacts with local communities which, among others, include landowners who lease out land to the Company. Astarta operates c. 220kha of land leased from almost 57k individual landowners. Payments under land lease liabilities totalled EUR27m in 2022.

Support of communities is a key focus for the Company which became of vital importance since the start of the russian aggression in Ukraine. In 2022 Astarta co-founded a large-scale humanitarian project Common Help UA to help those who suffered from military hostilities. As of the end of 2022, estimated monetary value of donations and humanitarian supplies under Common Help UA project reached USD18m.

For suppliers and clients

The Company makes best efforts to improve its assets and produce high quality products to meet the highest requirements of clients. In 2022 Astarta sold 226kt of sugar, 664kt of grains and oilseeds, 190kt of soybean products and 98kt of milk bringing EUR510m of total revenues.

The Company deals with significant number of suppliers. In 2022 it procured from 17k suppliers with the total spend

Innovation and R&D

Today, innovation is the key tool for success and especially important under war conditions. The Ukrainian military is fighting with computer tablets in their hands, using modern technologies of warfare: troop management, logistics, communications, and specific military operations. This saves hundreds of thousands of lives — military and civilians.

Similarly, the development of the agro-industrial sector is impossible without modern IT technologies, which radically change how the business is done. Innovations are an important element of Astarta's business model to ensure better operational results and enhance the sustainability aspect of its activities. The Company has a proprietary integrated multi-module IT software, called AgriChain, for agribusiness management.

AGRICHAIN
A NEW GENERATION OF IT SOLUTIONS FOR AGRIBUSINESS

In 2022, despite the war, Agrichain continued upgrading existing modules and developing new ones, streamlining the complexity of agribusiness management practices.

Among the new modules that the Agrichain started to develop are AgriChain Machinery (machinery and equipment management) and AgriChain Logistics (logistics, inventory and product management).

AC Ma

AgriChain Machinery — is a system for management of machinery and equipment which stores and accumulates telemetry data, integrates it with third-party systems, calculates the cultivated area and vehicle mileage.

AC Lg

AgriChain Logistics — is an integral system for planning and controlling transportation of all types of inputs and products by all modes of transport. The purpose of the module is to introduce a single automated system covering the entire "field-to-customer" route and raise efficiency through optimization, automation and regulation of logistics processes.

The Company also worked on setting up an internal system based on artificial intelligence studying the data that had been accumulated for 30 years of business. The data is analysed using algorithms, and the results are used to guide management decisions in logistics.

A new feature aimed at automated soil sampling for further analysis in the laboratory was added to AgriChain Scout module. The soil sampling crew drives to a selected field under the app guidance to take samples from specific segments.

AgriChain also started cooperation with the US "Planet Labs", specialising in Earth observation from space. The application was integrated into AgriChain Scout to record condition of crops such as stage of vegetation and the quality of seedling with the help of satellites with a high-resolution telescope.

AgriChain also completed testing of the electronic management of transport consignment notes. The development of the system was led by the Ministry of Infrastructure of Ukraine to simplify and speed up logistics by replacing the paper transport consignment notes with electronic ones for transparency in freight transportation.

Strategy and Outlook

Area of focus	Short term	Long term
Resilience under war-time conditions and help in approaching the Victory of Ukraine	• Safety and support of personnel, preservation and development of human resources • Preservation of financial resources • Ensuring sustainable business continuity of operations • Supporting humanitarian and food security of Ukraine (support for territorial communities, assistance to internally displaced persons, development of small and medium-sized enterprises) • Assistance to the Defense Forces of Ukraine • Meeting fiscal needs of the Ukrainian state.	
Upstream / primary agriculture • **Crop growing** • **Dairy farming**	• Digitalization of agricultural production • Scaling up precision and regenerative farming with focus on soil health and decarbonisation • Feasibility of increasing production of niche crops considering market trends • Upgrade of manure management system • Pilot irrigation	• Creating a digital culture in agricultural production • Full-scale regenerative farming to become a supplier of choice of ingredients for global traders and processors • Expansion of organic farming in response to market demand • Scaling up irrigation in response to climate change • Explore decarbonisation potential of the livestock operations
Downstream / processing • **Crop storage and trading** • **Sugar production** • **Soybean crushing** • **Bioenergy**	• Develop logistics to diversify seaborn and overland export routes • Increasing energy efficiency • Energy self-sufficiency by ramping up bioenergy capacity and alternative energy sources • Promotion of the Astarta brand to increase presence in the domestic retail market • Digitalization of all business processes, development of artificial intelligence-based internal system.	• Leveraging grain storage network for third-party crop procurement and trading • Scale up alternative energy generation for inhouse consumption and potential sale to the market • Expansion of the product range towards more value-added ingredients/products • Balanced combination of the Astarta's product orientation on domestic and export markets.
Sustainability — governance and disclosure	• Adoption of climate corporate governance strategy • Expansion of Scope 3 reporting under GHG Protocol • Continue building up circular economy blocks within vertically integrated nature of the company's operations.	• Integrate sustainability and climate-related KPI into performance measurement • Set SBTi targets and implement corresponding decarbonisation measures.
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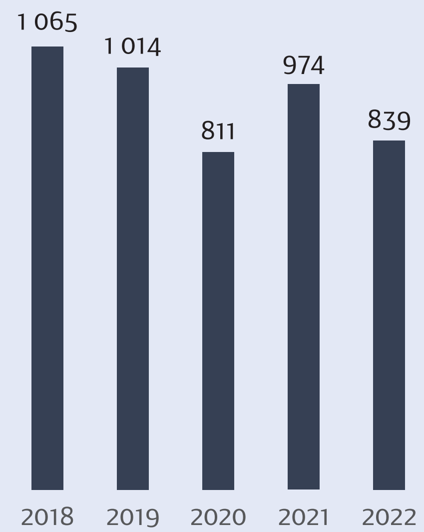
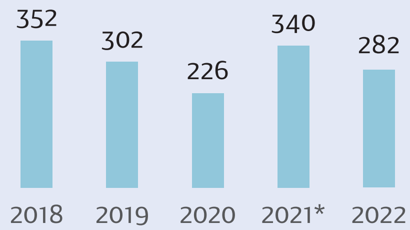
Key Operational Results

Grain and oilseeds production, gross, kt

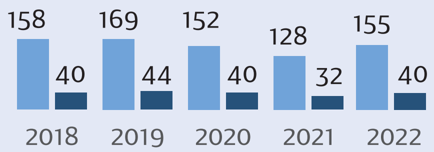


Sugar production, kt

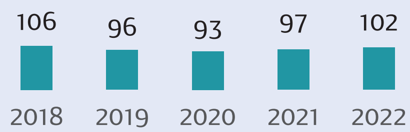


**incl. raw cane sugar refining*

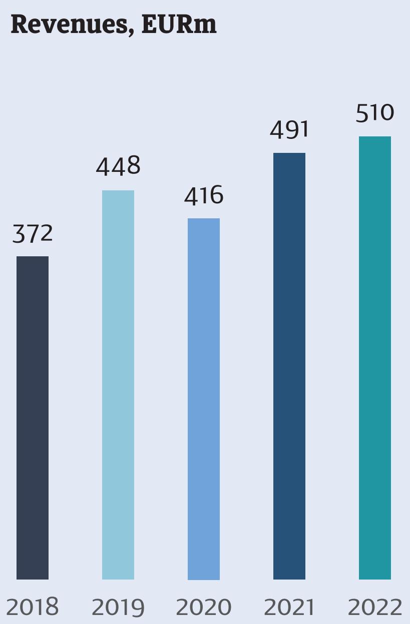
Soybean meal and Soybean oil production, kt

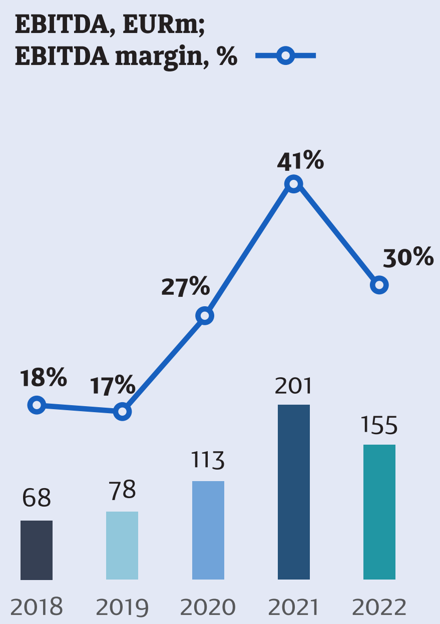


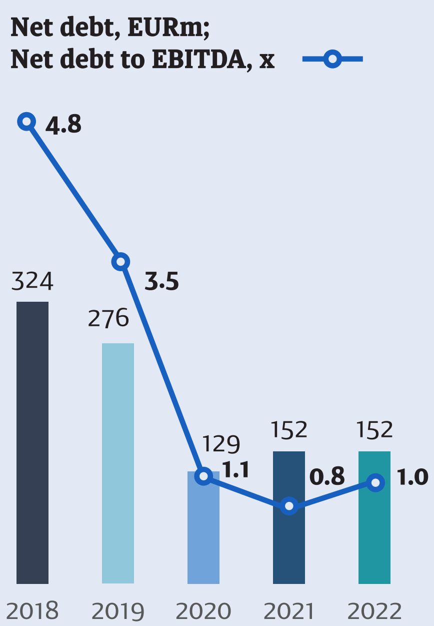
Milk production, kt

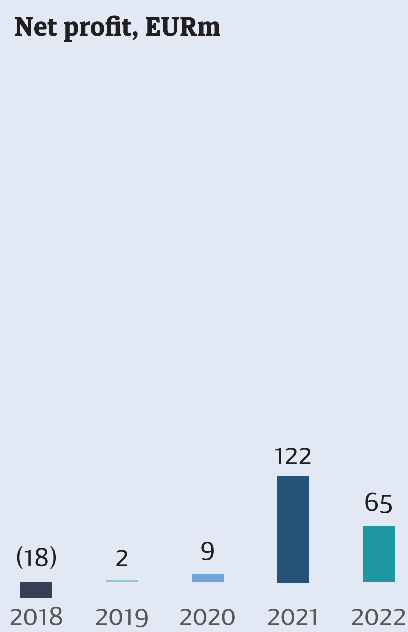


Key Financial Results









Selected Financial Data

Summary P&L

EURk	2021	2022
Revenues*, including	**491 355**	**510 070**
Agriculture	185 049	180 292
Sugar Production	170 197	155 529
Soybean Processing	89 814	121 886
Cattle Farming	38 474	38 610
Cost of sales, including	**(415 958)**	**(379 888)**
Effect of FV remeasurement of AP**	(87 747)	(73 073)
Changes in FV of BA and AP**	143 835	77 223
Gross profit	**219 232**	**207 405**
Gross margin	*45%*	*41%*
EBIT	**150 073**	**109 069**
Depreciation and Amortisation, including:	51 386	45 702
Charge of right-of-use assets	18 248	19 651
EBITDA, including	**201 459**	**154 771**
Agriculture	153 966	75 974
Sugar Production	35 671	34 752
Soybean Processing	5 084	27 690
Cattle Farming	8 804	18 098
EBITDA margin	*41%*	*30%*
Interest expense on lease liability	(20 814)	(21 497)
Other finance costs	(3 922)	(6 359)
Forex gain/(loss)	1 003	(5 931)
Net profit	**122 491**	**65 164**
Net profit margin	*25%*	*13%*

EURk	2021	2022
Gross Profit, excl. BA and AP remeasurement	**163 144**	**203 255**
Gross Margin, excl. BA and AP remeasurement	*33%*	*40%*
EBITDA, excl. BA and AP remeasurement	**145 371**	**150 621**
EBITDA margin, excl. BA and AP remeasurement	*30%*	*30%*

**Including grains and oilseeds trading operations in the amount of EUR38m in 2022 and EUR47m in 2021* ***FV – Fair Value, BA – Biological Assets, AP – Agricultural Produce*

Astarta's consolidated revenues amounted to EUR510m in 2022, up by 4% y-o-y, on higher contribution from the Soybean Processing segment.

Revenues of the Agricultural segment were down by 3% y-o-y to EUR180m, or 35% of the total consolidated revenues. Revenues of the Sugar Production segment decreased by 9% y-o-y to EUR156m. The Soybean Processing and the Cattle Farming segments generated EUR122m and EUR39m of revenues, correspondingly, vs EUR90m and EUR38m in 2021.

Exports contributed EUR278m, or 54% of the consolidated revenues (previous year – 44%).

Gross profit reduced by 5% y-o-y to EUR207m as the changes in biological assets per IAS41 recognised at EUR77m vs EUR144m in 2021 on lower commodity prices and higher costs.

EBITDA down by 23% y-o-y to EUR155m with EBITDA margin narrowing from 41% to 30% reflecting higher S&D expenses.

Excluding the impact of IAS41, the Gross margin grew from 33% to 40% on lower cost of sales of produce from 2021 stocks. EBITDA margin remained flat at 30%.

Summary P&L

EURk	YE21	YE22
Right-of-use asset (mainly land)	117 058	97 539
Biological assets (non-current)	27 703	29 962
PP&E and other non-current assets	200 531	196 087
Inventories, including RMI*	227 040	244 156
Biological assets (current)	41 438	32 969
AR and other current assets	65 024	80 632
Cash and equivalents	11 763	26 248
Total Assets	**690 557**	**707 593**
Equity	**495 142**	**489 239**
Long-term loans	20 855	16 630
Lease liability (mainly land)	92 182	79 848
Other	4 668	8 205
Non-current liabilities	**117 705**	**104 683**
Short-term debt and similar	17 630	52 759
Current lease liability (mainly land)	33 080	29 294
Other	27 000	31 618
Current liabilities	**77 710**	**113 671**
Total equity and liabilities	**690 557**	**707 593**
EBITDA LTM	201 459	154 771
RMI*	170 670	183 529
Net debt total**	**151 984**	**152 283**
ND total/EBITDA (x)	*0.8*	*1.0*
Adjusted net debt = (ND-RMI)	**(18 686)**	**(31 246)**
Adj ND/EBITDA (x)	*(0.1)*	*(0.2)*

**RMI = Finished Goods* ***Net Debt = long term and short term debt + lease liabilities – cash*

Net Financial Debt (excl. lease liabilities) up from EUR27m in 2021 to EUR43m in 2022. Net Debt remained flat at EUR152m on lower lease liabilities of EUR109m vs EUR125m in 2021 due to devaluation of local currency.

Summary Cash Flows

EURk	2021	2022
Pre-tax income	128 773	75 323
Depreciation and amortisation	51 386	45 702
Financial interest expenses, net	4 274	6 126
Interest on lease liability	20 814	21 497
Changes in FV of BA and AP*	(143 835)	(77 223)
Disposal of revaluation in AP in COR*	87 747	73 073
Forex gain/loss	(1 003)	5 931
Income taxes paid	**(5 937)**	**(8 841)**
Working Capital changes	**(85 235)**	**(104 559)**
Other	305	802
Operating Cash Flows	57 289	39 464
Investing Cash Flows	(4 017)	(15 500)
Debt (repayment)/proceeds	**(18 135)**	**29 825**
Dividends paid	(12 155)	–
Finance interest paid	(3 160)	(6 967)
Lease repayment (mainly land)	(30 827)	(28 309)
Financing Cash Flows	**(64 853)**	**(5 451)**

**FV — Fair Value, BA — Biological Assets, AP — Agricultural Produce, COR — Cost of revenue*

2022 Operating Cash Flows totaled EUR39m vs EUR57m in 2021 on a higher inventory. Operating Cash flows before Working Capital changes were flat at EUR144m (EUR143m in 2021).

Investing Cash Flows stood at the maintenance CAPEX levels — EUR16m vs EUR4m (incl. EUR8m from disposal of subsidiaries) in 2021.

35%
Share in consolidated revenues

EUR180m
Segment revenues

84%
Export sales (by value)

Financial results

EURk	2021	2022
Revenues, including	185 049	180 292
Corn	85 126	86 316
Wheat	59 764	52 955
Sunseeds	21 324	28 137
Rapeseeds	14 257	9 916
Cost of sales, including	(177 531)	(144 762)
Land lease depreciation	(17 729)	(19 051)
Changes in FV of BA and AP*	145 262	70 207
Gross profit	**152 780**	**105 737**
Gross margin	*83%*	*59%*
G&A expenses	(16 648)	(13 083)
S&D expenses	(19 962)	(48 121)
Other operating expenses	(1 462)	(3 451)
EBIT	**114 708**	**41 082**
EBITDA	**153 966**	**75 974**
EBITDA margin	*83%*	*42%*
Interest on lease liability	(19 220)	(19 379)
CAPEX	(11 465)	(9 176)
Cash outflow on land lease liability	(29 228)	(26 808)

** FV – Fair Value,*
BA – Biological Assets,
AP – Agricultural Produce

Sales volumes of key crops and realized prices

EURk	2021		2022	
	kt	EUR/t	kt	EUR/t
Corn	483	176	**366**	**236**
Wheat	290	206	**201**	**264**
Sunseeds	45	469	**56**	**501**
Rapeseeds	28	503	**15**	**660**

Due to lower sales volumes the revenues decreased by 3% y-o-y to EUR180m.

Gross profit declined by 31% y-o-y to EUR106m and Gross margin fell from 83% to 59% as changes in biological assets per IAS41 were recognised at EUR70m vs EUR145m in 2021 reflecting lower commodity prices and higher costs.

With additional pressure from higher S&D expenses EBITDA slid by 51% y-o-y to EUR76m and EBITDA margin halved to 42%.

2022 was a challenging year for the global food production. Full-scale russian invasion of Ukraine caused severe production and supply disruptions for many agricultural commodities, while other exporters, such as the USA and Brazil, faced unfavourable weather conditions. Food security concerns raised crop prices above historical averages.

Key crops Acreage and Gross output

EURk	2021		2022	
	kha	kt	kha	kt
Corn	59	508	**38**	**342**
Wheat	47	268	**56**	**265**
Sunseeds	28	76	**31**	**92**
Soybeans	31	94	**40**	**117**
Rapeseeds	7	23	**6**	**19**
Sugar beets	33	1 584	**32**	**1 820**

Astarta gross yields vs average Ukrainian

t/ha	2021		2022	
	AST	UKR	AST	UKR
Corn	**8.6**	7.5	**8.9**	6.7
Wheat	**5.8**	4.6	**4.8**	4.1
Sunseeds	**2.7**	2.5	**3.0**	2.2
Soybeans	**3.0**	2.7	**2.9**	2.4
Rapeseeds	**3.2**	2.9	**3.1**	2.9
Sugar beets	**47**	47	**56**	50

Agricultural logistics was also in the spotlight in 2022. Exporters were competing for opportunities to transport grain out of Ukraine, leading to significant cost increase in agricultural logistics – from transportation tariffs to ship freight. The agreement on the Black Sea grain corridor positively impacted the global grain balance, and European prices started to decline. However, the wheat market remains focused on the agreement extension.

Astarta entered 2022 with confidence after successful harvest. However, the military hostilities that followed and created difficulties with grain handling, storage and exports the Company was forced to adjust crop rotation. The area under corn was reduced by 35% y-o-y to 38kha in favour of higher acreage under soybeans, sunseeds and wheat. The area under wheat was increased by 19% y-o-y to 56kha to ensure food security of the country in a state of war. The full-scale invasion prevented timely agricultural operations in the Chernihiv region, and adverse weather conditions, particularly hot June in the Poltava region, further affected crop yields.

Considering constant shelling of Ukrainian territories, Astarta imposed strict fire safety measures before harvesting: the fields were mowed and ploughed during grain ripening. Fire-fighting brigades were also kept on high alert.

The Company achieved a 24% growth y-o-y in sales of sunseeds to 56kt as the crop area expanded by 9% y-o-y to 31kha. A 10% y-o-y higher yield of 3.0t/ha allowed a higher output of 92kt vs 76kt in 2021.

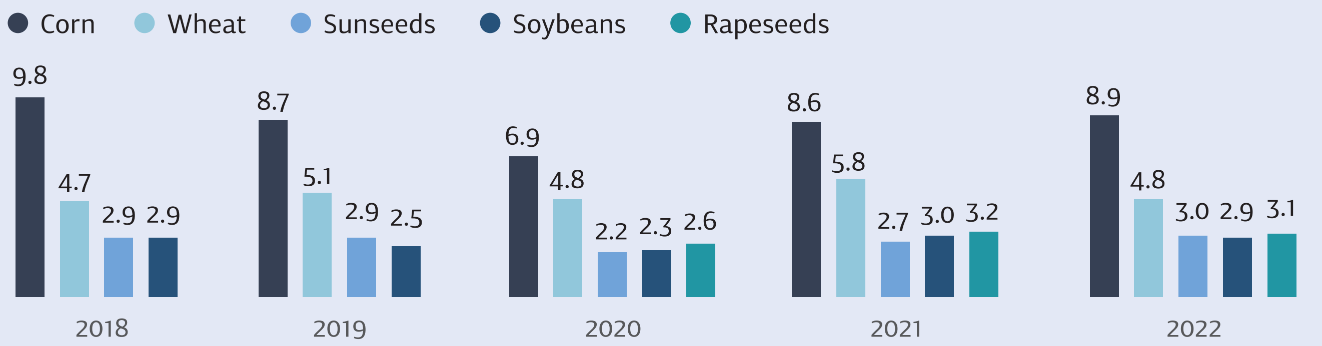
Corn sales decreased by 24% y-o-y to 366kt in 2022, as production was negatively affected by the late harvest under heavy rain conditions and reduction of acreage to 38kha (previous year: 59kha). The performance was supported by a 5% y-o-y stronger corn yield of 8.9t/ha.

Rapeseeds sales saw a 47% y-o-y drop to 15kt on the back of a 20% y-o-y lower crop output of 19kt from 6kha of planted area (-16% y-o-y). Lower crop was partially compensated by favourable selling price of EUR660/t, exceeding last year's value by 31%.

Astarta's area under soybeans was increased by 28% y-o-y to 40kha in 2022, which led to a 23% y-o-y increase

Astarta's grains and oilseeds yields (gross), t/ha

Source: Company's data



in crop output to 117kt. Analysts predict the expansion of soybean acreage next year due to the high demand for the crop and lower dependence on seeds' imports.

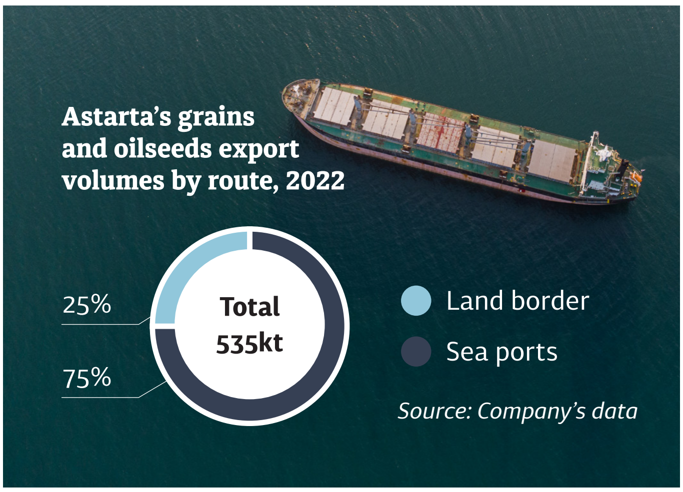
Astarta also grew niche crops in 2022 such as buckwheat, millet, mustard, and flax. The Company has an established customer base for those.

The Agricultural segment is traditionally an export-oriented business, and despite the enormous challenges, overseas sales accounted for 84% of the segment revenues during the reporting period (flat y-o-y). By volume exports of grains and oilseeds amounted to 535kt in 2022, down by 32% y-o-y.

Logistics of agricultural operations

The events of 2022 forced the Company to reconsider its logistics modality. Before the full-scale war, Astarta's entire agricultural produce was exported by sea. Due to the blockade of seaports in March-July 2022, coupled with insufficient capacity of the European railway infrastructure and inspection delays in the operations of the Odesa-based grain corridor by russian inspectors, Astarta explored alternative overland export routes.

The professional team managed to identify alternative overland export routes and means of transport: transportation of agriproducts in containers to Lithuanian and Polish ports, in gondola rail cars to Slovakia, via change of rail wagon wheels while transporting to Romania, transhipment to gondola rail cars at border terminals and delivery to Poland inland destinations and ports by a narrow gauge. The establishment of alternative



logistic routes allowed Astarta to free up storage space for the 2022 and upcoming 2023 crop.

The Company operates own fleet of cars and 200 rail wagons enhancing its exports capability.

In September 2022, when the Greater Odesa ports reopened the Company returned to seaborne routes and shipping crops within the Black Sea Grain Initiative.

Market overview

War-related occupation, damages to large farming areas, lower fertilizer application and lack of financing lead to the decrease in the Ukrainian grain harvest to 54mt, or about 64% of the previous year's record high of 84mt in 2021, according to the Ministry of Agrarian Policy and Food of Ukraine (Minagro), the lowest harvest in five years.

Wheat output amounted to 20mt in 2022 (vs 32mt in 2021) with a yield of 4.1t/ha (previous year – 4.6t/ha) from the area of 4.7mha vs 7.1mha in 2021.

As of the end of December 2022, due to adverse weather conditions, only 80% of corn had been harvested and the efforts continued during winter with some crop left in the fields until spring. Some corn volumes may get reclassified as "losses" at a later stage. The slow pace of the Ukrainian corn harvesting was also caused by the war, restricted exports routes, shortages of storage capacities, increased costs of drying and handling, and higher costs of farm inputs. Corn output totalled c. 27mt (vs 40mt in 2021) yielding 6.7t/ha (previous year -7.5t/ha).

In June 2022 the EU lifted import duties on all Ukrainian exports for one year, which helped Ukraine to defend its global trade position, support the economy and deepen cooperation with European countries. The temporary trade liberalisation scheme is up for review in June 2023.

The Ukrainian soft commodities exports to the EU leapfrogged in 2022. Wheat exports increased from 0.4mt in 2021 to 4.3mt in 2022. The corn exports almost doubled from 8mt to 15mt amid a draught-induced fall in EU corn production. Sunseeds exports grew from only 0.02mt in 2021 to 2.1mt in 2022 because of disruptions to seed crushers in Ukraine from the russian invasion.

High cost and price volatility dominated soft commodities last year with the domestic market undergoing dramatic changes. After the invasion grain prices fell due to the Black Sea ports blockade by russia whereby limiting export opportunities. The implementation of the Black Sea Grain Initiative which reopened several seaports in the Greater Odesa had significantly eased pressure on domestic crop prices, but still they remained below the 2021 average and lower than the global ones. Wheat was traded at EUR187/t (-22% y-o-y), while the corn price decreased by 23% y-o-y EUR184/t on the EXW basis. The key reason for a wide price disparity between international and Ukrainian grain prices is the logistical difficulties and costs of exports.

Global crops prices reached record high in May 2022, on the back of adverse weather, the war in Ukraine, export restrictions and falling stockpiles. Between May and October, prices declined on weaker demand, re-opening of the Odesa seaports and good harvests in some grain exporting countries. Still, global prices of agricultural commodities remain high and prone to volatilities related to the Black Sea Grain Initiative and the war in Ukraine.

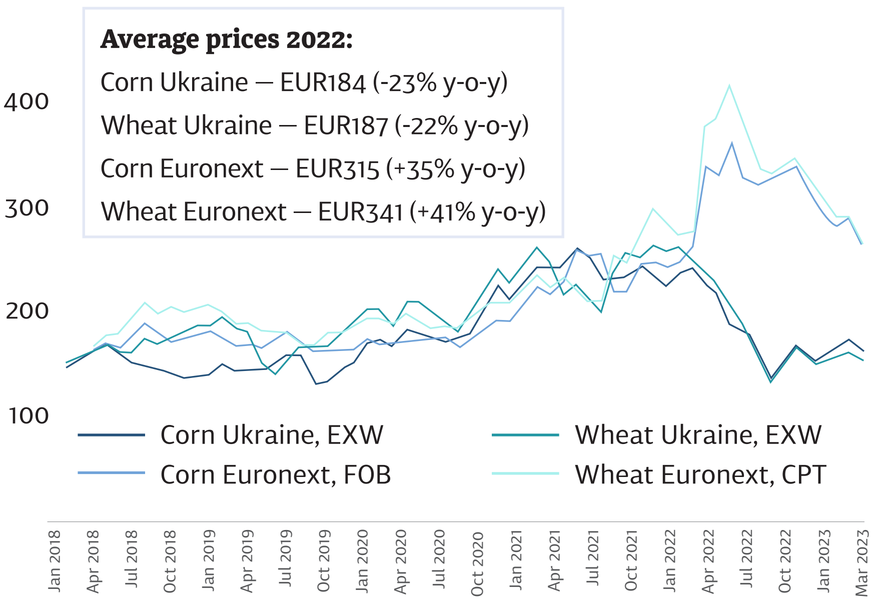
Astarta's silo capacities

The Company's silo network of seven elevators with a combined storage capacity of 562kt of grains and oilseeds is located across the areas of operations in the Poltava, Khmelnytskyi, and Vinnytsia regions.

The silos take grains, such as wheat, corn, barley, rye, buckwheat, oats, sorghum, and oilseeds (rapeseeds, sunseeds, soybeans). Apart from storage the silos also provide cleaning, drying services, and shipment loading to railcars and trucks, for Astarta's internal needs and third-party farmers. Grain quality is checked by inhouse certified laboratories at facility. Astarta's silos handled over 0.7mt of grains and oilseeds during the reporting period, down by 14% y-o-y.

Astarta continued cooperation with third-party agricultural producers under a dedicated Loyalty Programme amid war conditions. During 2022 16% of the total volume handled by silo related to third parties (previous year — 23%).

Grains price performance, EUR/t, incl. VAT

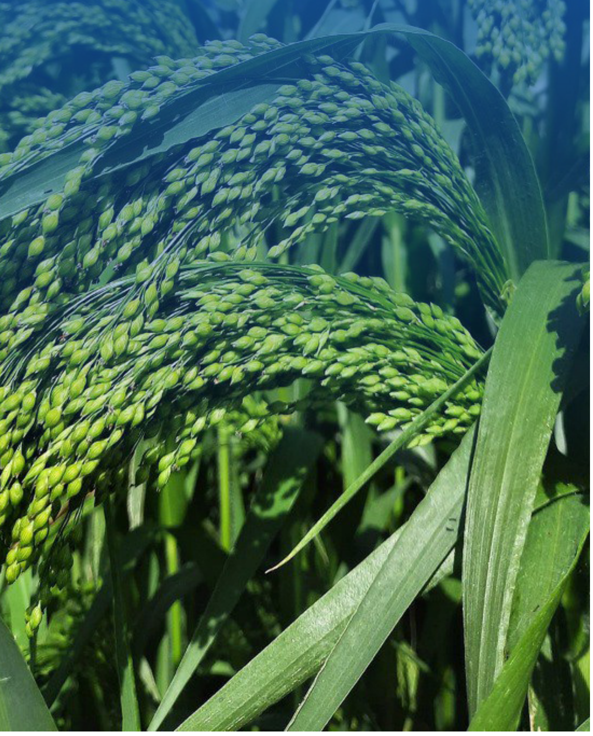


Source: APK-inform

Organic farming

Astarta contributes to preservation of natural resources and soil health by organic farming in List-Ruchky, the Poltava region. Organic farming implies substitution of mineral fertilizers by the organic one like green manure (mustard, buckwheat, vetch, oats). It is ploughed in before winter and turns into high-quality natural fertilizer by spring. The area under organic crops remained unchanged at 1.8kha.

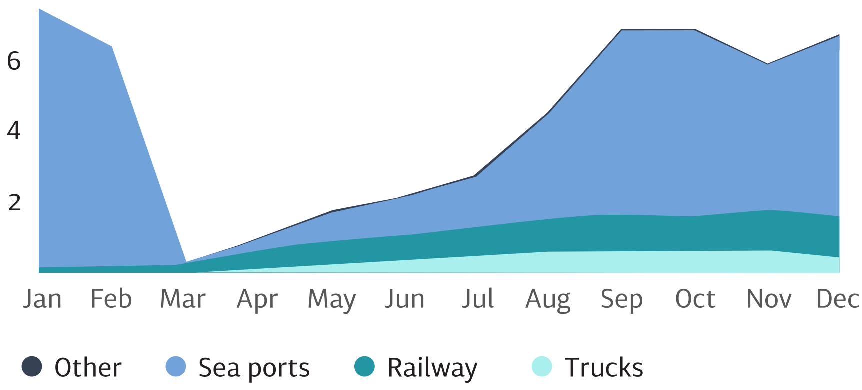
In 2022 List-Ruchky's output was certified as organic for millet, soybeans, sunflower, mustard, flax, winter wheat and corn. The certification was extended by Organic Standard, BioSuisse, Danube Soya, and Europe Soya. 2022 output amounted to 3.7kt (previous year — 3.8kt). Majority of crops were sold to Switzerland and Germany.



Ukraine's Black Sea agricultural exports

Ukraine is one of the worlds' leaders in grain and sunseed oil exports. In pre-war times 98% of agricultural exports were handled by the Ukrainian seaports reaching 7mt in peak months. russia's full-scale invasion endangered global food security and stability of soft commodities markets, therefore, a solution was needed to avert a humanitarian catastrophe and economic turmoil.

Ukrainian exports of agricultural products by means of transport, mt, 2022



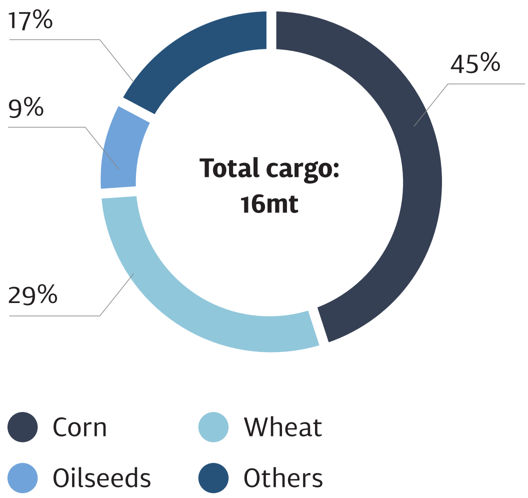
Source: AgroChart

Thanks to the Ukrainian army which has successfully defended the seaports of Odesa and Mykolaiv, the Grain Deal was brokered on July 22, 2022 by Ukraine, russia, Turkey, and the United Nations to alleviate shortages in the global grain market. The agreement ensured safe passage of vessels from three Ukrainian ports of the Greater Odesa (Odesa, Chornomorsk and Pivdennyi) for 120 days with an extension clause. After the agreement entered into force the soft commodity prices went down, easing pressure on the market and proving the deal effective.

On March 18 2023 the Black Sea Grain Initiative was extended in time for the spring sowing, allowing farmers to adjust planting areas. Still there remains uncertainty and risk of disruptions from the russian side. Ongoing efforts were also focused on speeding up the inspection process by joint teams in the Bosphorus, since the russian side was significantly slowing down the process, causing significant delays and consequent financial losses for cargo owners and slowing down the supply of the Ukrainian grain to global markets.

During the reporting period, over 16mt of grain and other foodstuffs were exported via the Black Sea Grain Initiative by 691 ships from the three Ukrainian ports. 45% or more than 7mt of total cargo was corn since it had to be exported quickly to free up storage capacities for winter wheat from 2022 harvest. Wheat accounted for 29% or almost 5mt. 65% and 44% of wheat and corn, correspondingly, were delivered to developing countries. Astarta's share in total corn and wheat exports under the Grain Deal was c.2% during the reporting period.

Black Sea Grain Initiative cargo breakdown, 2022



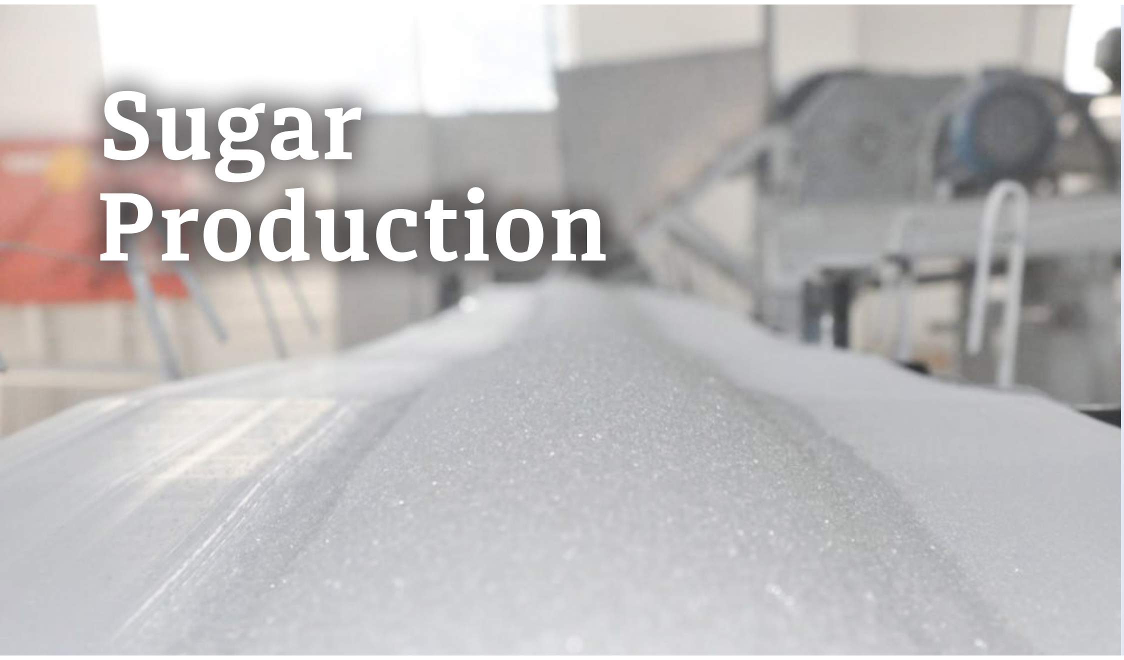
Source: Black Sea Grain Initiative Joint Coordination Centre

Building self-sufficiency in seeds

Two in-house seed production lines, one in the Western and another in the Central Ukraine, supply all the needs of Astarta's operations. The seed production covers winter crops, soybeans, corn, rye and triticale seeds. Team of professionals provides dedicated support in the field and production control guarantees the highest seed quality. Astarta's capacity fully cover own needs in winter wheat seeds and enable supply of 400t of seeds annually to third party customers.

In 2022 the Company successfully piloted production of sunflower seeds and planned to increase capacity and the crop range in the future.

Sugar Production



30%
Share in consolidated revenues

EUR156m
Segment revenues

14%
Export sales (by value)

Financial results

EURk	2021	2022
Revenues	170 197	155 529
Cost of sales	(123 711)	(113 510)
Gross profit	**46 486**	**42 019**
Gross margin	*27%*	*27%*
G&A expenses	(8 667)	(6 524)
S&D expenses	(8 205)	(7 537)
Other operating expenses	(2 045)	263
EBIT	**27 569**	**28 221**
EBITDA	**35 671**	**34 752**
EBITDA margin	*21%*	*22%*
CAPEX	(2 249)	(5 884)

Sales volumes of sugar and sugar by-products and realized prices

	2021	2022
Sugar, kt	290	**226**
Sugar by-products*, kt	70	**65**
Sugar prices, EUR/t	555	**647**

**Granulated sugar beet pulp, molasses*

Revenues declined by 9% y-o-y to EUR156m on back of 22% lower y-o-y sugar sales volumes of 226kt, partially compensated by 16% y-o-y higher selling prices at EUR647/t.

Gross profit decreased by 10% y-o-y to EUR42m while Gross margin remained flat at 27%. EBITDA flat at EUR35m with EBITDA margin of 22%.

In 2022, because of war-related circumstances the area under sugar beet in Ukraine was expectedly the lowest in the last decade at 181kha (previous year – 227kha). However, sufficient soil moisture during the growing season led to higher yields of up to 50t/ha (47t/ha in 2021) and, according to the Ministry of Agrarian Policy and Food, the sugar content reached 16.6% vs 16.9% in 2021.

It was the most challenging year for the Ukrainian sugar producers on energy and raw materials procurement and skyrocketing input costs. Under the war-related circumstances ten Ukrainian sugar plants were not launched. Only 23 sugar plants processed sugar beet in 2022/23 MY (September-August). Notwithstanding the difficulties they produced 1.3mt of white sugar vs 1.6mt (incl. 120kt from raw cane sugar refining) in 2021, which was more than sufficient to meet domestic demand estimated at 0.9mt by Ukrsugar.

To support Ukrainian exporters in June 2022 EU lifted trade restrictions on a wide range of Ukrainian products, including sugar. Following the trade liberalization Ukraine exported

Production

	2021	2022
Total sugar production, kt	340	**282**
Sugar from beets, kt	266	**282**
Sugar beet processed, kt	1 844	**1 970**
In house sugar beet, %	*80%*	*82%*
Sugar from raw cane sugar, kt	73	**nil**
Raw cane sugar processed, kt	75	**nil**

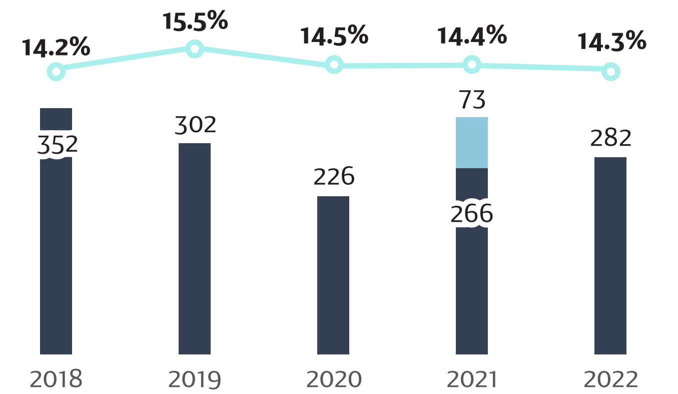
184kt of white sugar that was 7x times higher than in 2021 and well above the previous annual quota of 20kt.

Given the steady sugar production in Ukraine, coupled with reduced domestic consumption there is an expectation of exports to continue in the 2022/23 MY. European sugar prices rose significantly in 2022 on the back of lower production as result of extreme summer heat and lower sugar beet yields.

With 111 processing days and five running mills, Astarta's 2022 sugar production season lasted the same as in 2021. Heavy rainfall during harvesting complicated delivery of beets to the mills and led to the lower sugar content in beets at 16.8% in 2022 compared to 17.0% in 2021.

The Company continued to build partnerships with independent sugar beet growers. In 2022 third-party sugar beet supply stood at 18% of total (previous year – 20%). Astarta offered wide range of advice and financial aid to sugar beet growers, on top of attractive procurement contract terms.

Astarta's sugar production and average sugar output



Source: Company's data

In 2022 Astarta produced c. 282kt of sugar (previous year – 340kt, including 73kt from raw cane sugar) from 2.0mt of sugar beets (1.8mt in 2021). Sugar output content was 14.3% vs 14.4% in 2021. "A"-grade quality sugar accounted for 99% of total output (previous year – 96%), including 53kt of extra white sugar vs 55kt in 2021. The Company's market share was estimated at 21% in 2022. Closest competitors were Radekhiv Sugar and Ukrprominvest-Agro.

Volume of sales declined by 22% y-o-y to 226kt in 2022 while the average selling price amounted to EUR647/t (previous year – EUR555/t).

Astarta's share in total Ukrainian sugar exports was 16% at 30kt in 2022. Romania was the key destination with 75% of the Company's exports. Bulgaria, Moldova and Poland were also significant importers of its sugar in 2022.

Astarta's main customers are from the food processing industry (confectionery, beverage etc.) accounting for 44% of sales volume. 21% was supplied to retail networks. The Company sold sugar to consumers in various packaging sizes big bags and in bulk.

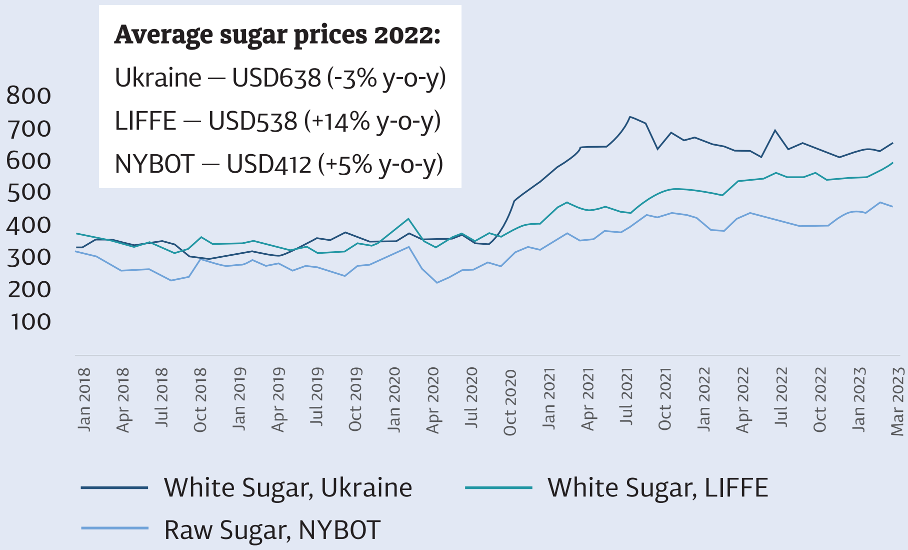
**Astarta's gas consumption, including gas produced from biogas, during the 2022/23 sugar production season*

The russian invasion caused significant disruption to energy supplies, which make up a quarter of total costs. The consumption of gas used as the primary energy source in the Sugar Production segment decreased by 8% y-o-y to 43m cu m in 2022/23 MY*. Astarta responded to energy supply challenges by sourcing alternative fuels such as sunseed pellets used for drying beet pulp. The plant pellets replaced 3m cu m of natural gas used for this purpose in 2021 and making a small contribution to circular economy.

The war-related energy situation stimulates Astarta to develop a long-term strategy of weaning from fossil-based sources. The goal is to scale up alternative energy use in addition to biogas from the beet pulp, and to generate heat and electricity in house to become climate-neutral and energy self-sufficient. Astarta made a good step forward towards this goal when the share of gas consumption from biogas reached 10% out of total in the Sugar Production segment in 2022 vs 2% in 2021.

The russian invasion of Ukraine had a huge impact on global commodity prices, and sugar was no exception. The war and adverse weather conditions in Brazil and EU, led to a 14% y-o-y increase of white sugar price to USD538/t in 2022. At the end of 2022, the global white sugar price stood at USD554/t. Though expansion of cultivation areas and favourable weather conditions in other sugar producing regions and projected global sugar surplus might put a lid on further price growth.

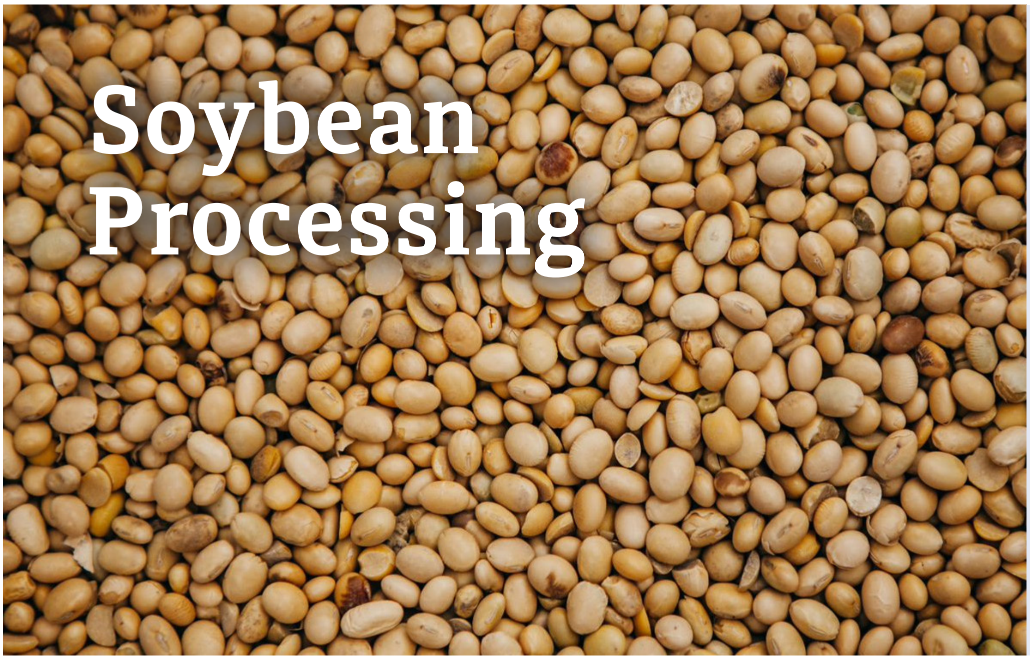
Global and Ukrainian sugar prices, USD/t



Source: Bloomberg

Ukrainian sugar prices traded on at average of USD638/t excl. VAT during 2022, which was 3% y-o-y lower. In local currency white sugar prices edged up by 17% y-o-y to UAH21k excl. VAT owing to inflation and forex movements.

Relatively high sugar prices and favourable market conditions encouraged farmers and producers to be optimistic about the future of the Ukrainian beet sugar industry. There was an expectation that the area under sugar beet may expand from 181kha in 2022 to 220-230kha in the 2023 planting season.



24%
Share in consolidated revenues

EUR122m
Segment revenues

86%
Export sales (by value)

Financial results

EURk	2021	2022
Revenues, including	89 814	121 886
Soybean meal	57 006	64 094
Soybean oil	31 598	56 195
Cost of sales	(82 379)	(84 713)
Gross profit	**7 435**	**37 173**
Gross margin	*8%*	*30%*
G&A expenses	(774)	(748)
S&D expenses	(2 281)	(9 592)
Other operating expenses	(847)	(620)
EBIT	**3 533**	**26 213**
EBITDA	**5 084**	**27 690**
EBITDA margin	*6%*	*23%*
CAPEX	(407)	(832)

Sales volumes of soybean products and realized prices

	2021		2022	
	kt	EUR/t	kt	EUR/t
Soybean meal	123	462	**138**	**465**
Soybean oil	31	1 035	**43**	**1 312**

Revenues boosted by 36% y-o-y to EUR122m amid higher soybean meal and oil sales volumes (+12% and +40% y-o-y, respectively) and strong selling prices for soybean oil (up by 27% y-o-y to EUR1,312/t). Exports contributed 86% of the revenues vs 66% in 2021.

Thanks to lower domestic prices of soybeans, the key production input, the Gross margin expanded from 8% to 30% in 2022 with Gross profit surging to EUR37m vs EUR7m in 2021.

As a result, EBITDA grew to EUR28m vs EUR5m in 2021 and EBITDA margin widened from 6% in 2021 to 23% in 2022.

The Soybean Processing business segment is based on the crushing facilities of the Globynsky Soybean Processing Plant in the Poltava region. The crusher used soybeans produced by the Agricultural segment as well as made purchases from third parties. In 2022 Astarta increased processing volume by 23% y-o-y, to 211kt. The share of the in house crop stood at 41% in 2022 vs 39% in the previous year. At the start of the war the soybean crushing process was suspended for two weeks but resumed operations by mid-March 2022 and reached full production capacity.

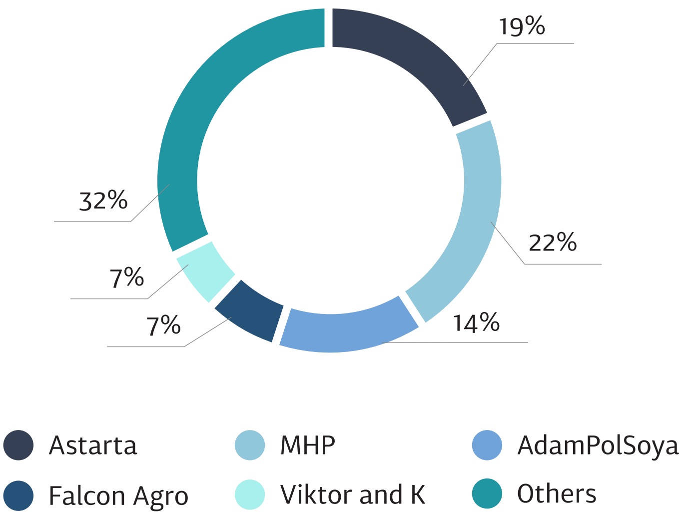
The Globynsky Soybean Processing Plant is the second largest soybean crusher in Ukraine, and during 2022 was able to increase its market share to 19% (previous year – 13%).

Production

kt	2021	2022
Soybeans processed	172	**211**
Soybean meal	128	**155**
Soybean oil	32	**40**

In 2022 the Company sold 190kt of soybean products, or 17% higher than in 2021. Main customers for soybean meal were animal feed producers and for soybean oil — biodiesel producers that use the oil as feedstock.

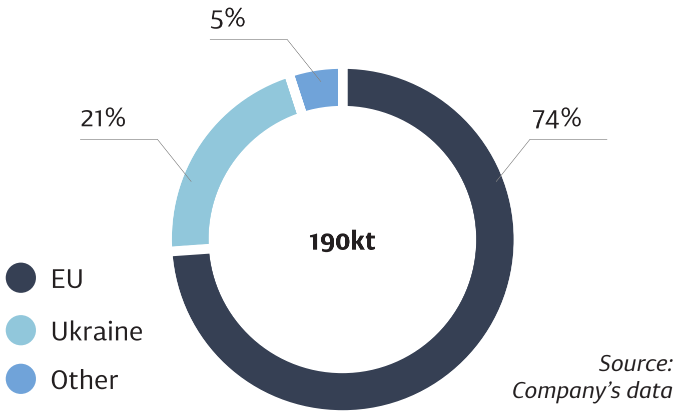
Ukrainian soybean processors share in domestic output, %. 2022*



** by amount of soybeans processed*

Source: AgroChart, Company's data

Astarta soybean products sales by market, 2022



Source: Company's data

Despite ongoing war risks in logistics, Astarta exported soybean products by selling 102kt of soybean meal, 40kt of oil and 8kt of husk in 2022 (previous year: 63kt, 28kt and 5kt, correspondingly). Exports contributed 86% of the segment revenues by value in 2022 compared to 66% in 2021. The soybean oil was exported by overland transport, with 25% of oil delivered by trucks (including containers) and 75% by railway.

The Company's soybean products were exported to nine countries in 2022, mainly to the EU. Historically, Astarta was the first player to export soybean products to Hungary and Romania and continues to build its customer base in these countries.

As part of the energy independence strategy, the Company committed to gradually increasing the share of natural gas substitution by biogas in the Soybean Processing. In 2022 gas produced by an in house Bioenergy facility substituted 50% of the total segment gas needs or almost 4m cu m.

The Company was forced to temporarily suspend sizeable investment projects announced before the war. Astarta intends to return to the plan on building the new plant producing feed soybean protein concentrate as part of its strategic development.

In 2022 the Ukrainian farmers harvested soybeans from the area of 1.5mha (+16% y-o-y), and the output increased by 7% y-o-y to 3.7mt. Yield stood at 2.4t/ha in 2022 vs 2.7t/ha in 2021. Higher soybean harvest and ample stocks from 2021 provided stable supply for domestic processors and allowed to increase exports of soybeans by 83% y-o-y to 2.0mt, or nearly half of the 2022 harvest. Ukrainian crushers processed 1.1mt of soybeans during 2022 vs 1.3mt in 2021.

On the back of sizable soybeans supply, the average Ukrainian crop price eased by 25% y-o-y to EUR352/t on the EXW basis in 2022. Since July 2022, there had been a gradual increase in domestic soybean prices, supported by stable demand from exporters and processors.

The average annual soybean oil price reached EUR1,023/t on the EXW basis (+4% y-o-y). The export of soybean oil from Ukraine totalled 244kt, flat y-o-y. Owing to logistics disruptions, the EU was the main market with 90% of total exports vs 77% in 2021.

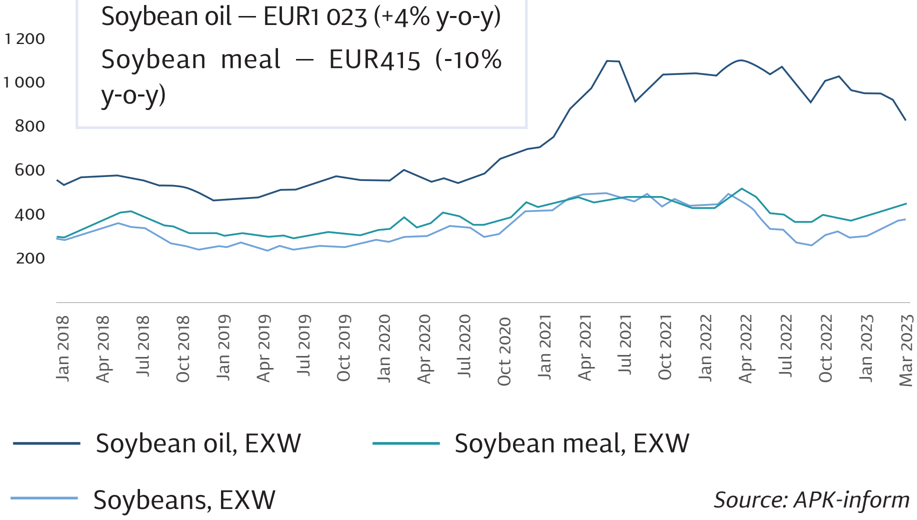
Ukrainian prices for soybean products and soybeans, EUR/t, excl. VAT

Average price 2022:

Soybeans – EUR352 (-25% y-o-y)

Soybean oil – EUR1 023 (+4% y-o-y)

Soybean meal – EUR415 (-10% y-o-y)



Source: APK-inform

Certified soybean oil

Astarta decided to certify its crushing plant under the ISCC EU scheme to demonstrate the sustainability of soybean products. In 2022 the Globynsky Soybean Processing Plant obtained the ISCC EU certification for soybean oil (International Sustainability and Carbon Certificate) for the first time. The certification testifies that the producer meets the EU-recognized sustainability criteria and allows to attract new clients and strengthen its relations with existing ones.

The ISCC EU standard was developed for biomass and bioenergy industries to show compliance with the EU Renewable Energy Directive. It focuses on reducing greenhouse gas emissions, sustainable land use, protection of nature, and social sustainability.

Cattle Farming

8%
Share in consolidated revenues

EUR39m
Segment revenues

100%
Domestic sales

Financial results

EURk	2021	2022
Revenues	38 474	38 610
Cost of revenues	(26 721)	(26 889)
BA revaluation	(1 427)	7 016
Gross profit	**10 326**	**18 737**
Gross margin	*27%*	*49%*
G&A expenses	(1 960)	(1 531)
S&D expenses	(444)	(416)
Other operating expense	(261)	(226)
EBIT	**7 661**	**16 564**
EBITDA	**8 804**	**18 098**
EBITDA margin	*23%*	*47%*
CAPEX	(1 490)	(1 300)

Sales volumes of milk and realized prices

	2021	2022
Milk sales, kt	94	**98**
Milk price, EUR/t	375	**367**

Revenues were flat y-o-y at EUR39m. Gross profit almost doubled y-o-y to EUR19m in 2022 as the changes in BA per IAS41 were recognised at EUR7m vs negative EUR1m in 2021 reflecting increase in cattle herd and milk yield. EBITDA grew to EUR18m from EUR9m in 2021.

Despite difficulties faced by dairy farmers in 2022 the Company managed to steady its business early in the war and achieve solid financial results. Astarta's Cattle Farming assets are located at sufficient distance from occupied territories and important military and industrial centres. At the beginning of the full-scale invasion several farms located in the Poltava region had to decrease production due to disruptions of logistics of delivering raw milk and reduced operations of local dairy processors. Some raw milk was supplied to local communities free of charge. It took several weeks for local businesses to adapt to operations under war conditions, with Astarta dairy farms in the lead for recovering to full capacity.

Sales volumes of raw milk increased by 4% y-o-y, to 98kt in 2022, of which 94% was of extra quality (previous year — 92%). An average raw milk selling price reduced by 2% y-o-y to EUR367/t. In local currency the price increased by 6% y-o-y to UAH13k in 2022.

The Company supplies premium-grade raw milk to large-scale dairy processors in Ukraine. Astarta continued to consolidate and optimize the Cattle Farming Segment with production concentrated at 35 dairy farms by 2022. The latter benefit from a large-scale heifer facility opened in 2012 to raise up to 4k heads of highly productive heifers that replenish the farms' herd.

Milk production volume, herd and productivity*

	2021	2022
Milk production, kt	97	**102**
Herd, k heads	22	**23**
Unit milk yield, kg/day	22.6	**23.6**

** average reporting period number*

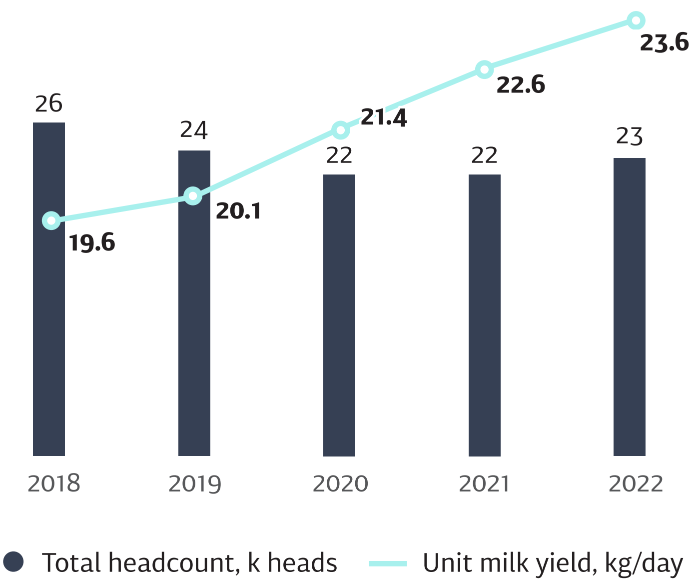
Average annual herd totalled 23k heads (+6% y-o-y) in 2022 of which 51% were milking cows (compared to 53% in 2021), as a result of a 12% y-o-y growth in heifers' and calves' herd.

Efficient farm management and balanced diet led to a 4% y-o-y increase in the daily average unit milk yield to 23.6kg/day. This, together with the 2% y-o-y growth of the milkable size of herd resulted in a 6% y-o-y higher milk production of 102kt in 2022. Astarta's share in the Ukrainian industrial milk production reached four per cent in 2022.

The Ukrainian dairy market is extremely fragmented due to presence of many local milk producers. According to estimates some of the major ones are Buchachhlibprom with a two per cent market share and Kernel with a one per cent market share.

Feed costs make up 2/3 of total production costs in dairy farming. The Company grows and produces in house forage grass and concentrated feed which almost fully meet the feed demands of its dairy farms. In 2022 the area under forage crops decreased by 2% y-o-y to 8kha, beet pulp used for feed totalled 56kt (previous year – 53kt),

Astarta Herd Size and Unit Milk Yield



Source: Company's data

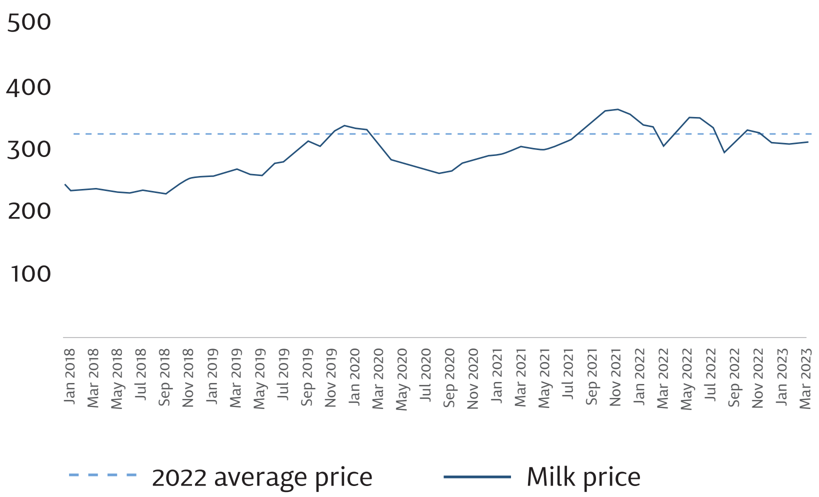
haylage harvesting totaled 36kt (previous year – 30kt). Astarta operates the cattle feed centre, that is the largest in Ukraine, and the feed mill in the Poltava region. The Feed Centre produces balanced and high-quality ration for cows, which is one of the most important components of herd health and productivity.

2022 turned out to be very challenging for the Ukrainian dairy industry. The russian occupation of Ukrainian territories and military hostilities, disruptions to feed and veterinary product supplies to farmers significantly affected livestock population in Ukraine. The cows' headcount declined by 13% y-o-y to 1.3m animals in 2022. This led to a corresponding 12% y-o-y drop in milk output to 7.7mt according to the State Statistics Committee of Ukraine. 34% of milk was produced by industrial farms and 66% by households. Industrial milk production totalled 2.6mt, that was 5% lower compared to 2021.

In 2022 the Ukrainian dairy farmers faced an extremely volatile market because of the war. The collapse of sales and supply chains, and physical damage to some dairy processing plants following the russian invasion led to a severe drop in milk prices in March 2022. Later the price recovered amid growing export sales of dairy products. Still, reduced consumer demand for dairy products amid rising unemployment and depreciation of the local currency provided limited support to the milk prices. The average 2022 annual milk price decreased by 6% y-o-y in local currency terms, to UAH11.5k/t, however premium quality milk price was flat at EUR328/t in 2022 in the Euro equivalent (previous year — EUR324/t).

Ukrainian premium quality milk price, EUR/t

Average price 2022:
Milk: EUR328 (+1% y-o-y)



Source: Infagro

In 2022, Astarta strengthened its partnership with the Swiss-Ukrainian programme "Higher Value-Added Trade from the Organic and the Dairy Sector in Ukraine" within the framework of the Quality FOOD Trade Programme (QFTP), which continued to operate in Ukraine as part of the Emergency Response Plan.

The QFTP in Ukraine is funded by the Swiss State Secretariat for Economic Affairs SECO, with contributions from the private sector in Ukraine, and under the leadership of FiBL (Switzerland), the Research Institute of Organic Agriculture, jointly with SAFOSO, a Swiss consulting company for safe food from healthy animals. The main objective of the QFTP is to increase added value in export and domestic trade from the organic and dairy sectors to contribute to the overarching goal of sustainable and inclusive growth in Ukraine.

Shareholders and Share Price Performance

Astarta is a public company with shares listed on the main market of the Warsaw Stock Exchange since 2006. The Company is part of WIG, WIG140, sWIG80 and WIG-Ukraine indices. As of December 31, 2022, the issued capital of ASTARTA HOLDING PLC consisted of 25,000,000 ordinary shares with equal voting rights (December 31, 2021 — same).

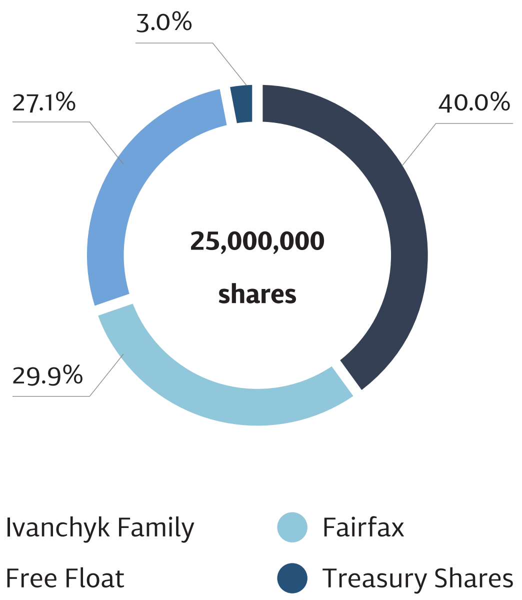
During 2022 the Company completed migration from the Netherlands to the Republic of Cyprus, and since September 16, 2022, Astarta is incorporated in Cyprus, with the registered office in Nicosia, Lampousas Str., 1. ASTARTA HOLDING PLC shares remained listed on the Warsaw Stock Exchange and are registered in the securities deposit under the same ISIN code NL0000686509 and ticker AST.

As of the end of 2022, there were two major shareholders: the family of Mr. Viktor Ivanchyk (the Founder and CEO), who owned 40.0% or 10,000,000 of total voting shares outstanding through Albacon Ventures Limited, and Fairfax Financial Holdings Ltd which owned 29.9% or 7,477,676 voting shares through its subsidiaries. The rest of Astarta's shares are in free float owned by US and EU financial institutions, save for three per cent held as treasury shares.

In June 2022 the Annual General Meeting of shareholders resolved not to distribute dividends for the 2021 financial year, since the primary focus for the Company was supporting the resilience of the business under the war conditions and continuity of the operational processes.

Global stock markets sustained significant losses during 2022 amid the russian invasion of Ukraine, growing risk of inflation and tightening monetary policy. Astarta's share price was deeply affected by increased volatility and military hostilities overwhelming the economy and Ukrainian listed companies. In January 2022 the news of possible invasion put pressure on the share price and, after the start of war, it reached its annual low of PLN14.2. The average share price plunged by 54% y-o-y in Polish Zloty to PLN24.5 during the reporting period.

Shareholder structure at 31 December, 2022



***** *Treasury shares — shares held by ASTARTA HOLDING PLC, repurchased via buy-back programme*

Source: Company's data

Astarta daily trading volume climbed to nearly 0.4m trades on February 24, 2022, on the day of full-scale invasion. Trading volumes soared to new record highs in March, reaching 3.4m trades monthly. Over time, when the military situation on the ground improved and the Ukrainian army conducted successful counteroffensives and liberated some occupied territories the share price started to recover.

Seaborne grain exports which restarted in August 2022 had a positive impact on shares of the Ukrainian listed companies, since the deal had a potential to increase agricultural producers' monthly grain exports. However, numerous execution risks and russia's attempts to disrupt the Grain Deal continue to weigh on the stocks' volatility.

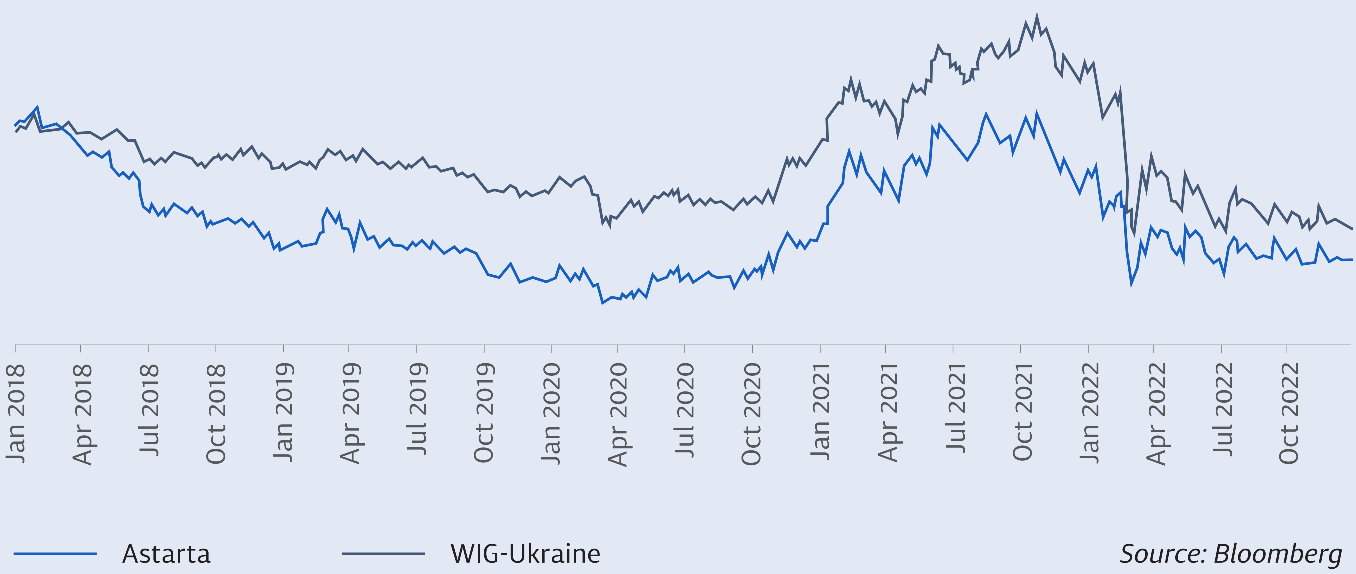
Key figures for the ASTARTA HOLDING PLC shares:

Data/Year		2018	2019	2020	2021	2022
Opening price	(PLN per share)	52	24	16	29	**42**
Highest trading price	(PLN per share)	58	33	27	57	**43**
Lowest trading price	(PLN per share)	23	15	10	28	**14**
Closing price	(PLN per share)	23	16	26	42	**20**
Closing price	(EUR per share)	5	4	6	9	**4**
Market capitalisation as of 31 December	PLNk	575 000	400 000	655 000	1 060 000	**510 000**
Market capitalisation as of 31 December	EURk	133 721	94 025	143 121	230 963	**108 993**
Dividend*	(EUR per share)	nil	nil	nil	0.5	**nil**
Dividend yield	%	nil	nil	nil	4.3	**nil**

**Dividends were first distributed in 2021*

Astarta and WIG-Ukraine performance over five years

(factor = 100 as of 03 January 2018)



Source: Bloomberg

russian Invasion Impact

The war created extremely difficult challenges for Ukraine which one could hardly imagine in the 21st century. Millions of Ukrainians had lost their security, housing, workplaces and some — their relatives and friends. Persistent military strikes on cities and towns by russian missiles, shelling and mining of vast areas is a colossal tragedy for people and a massive environmental disaster.

Ukrainian businesses also faced unprecedented challenges. According to International Rescue Committee (IRC) 90% of enterprises suffered from reduced demand and 71% faced difficulties due to disruptions in supply chains. There is no sector in Ukraine that was not affected, as the war brought challenges to production processes, transportation of goods including for exports, human capital, etc. On top of that Ukraine is now among the world's most mine-contaminated countries which will be a significant issue for the next decades.

Many businesses suffered physical damage to their assets including those from the agricultural sector. The most significant damage was done to farms in close proximity to military hostilities. According to IRC25% of small farmers stopped or reduced agricultural production due to the war, while rising costs of production were felt across the country. According to the Ministry of Agriculture the total direct and indirect damage to the agriculture sector was estimated at USD41bn, adding to the Ukrainian economy contraction.

Streets of Velyka Dymerka after russian invasion, the Kyiv region

In 2022 according to the National Bank of Ukraine the domestic economy contracted by 30%, inflation rose to 27%, unemployment reached 26% eroding livelihoods across the country. Persistent military shelling led to a huge number of casualties at the scale of humanitarian catastrophe. This lead to the Ukrainian population movement to the tune of 7.8m refugees across Europe — the largest displacement crisis in decades. In 2022 the UN Human Rights Office of the High Commissioner (OHCHR) recorded 17,994 civilian casualties of which 6,919 people were killed, including 429 children. The OHCHR believed that the actual figures were considerably higher, as information from some locations where intense hostilities had been ongoing was delayed and many reports were still pending corroboration.

Along with unimaginable social impact the Ukrainian environment also suffered from military hostilities. As of the end of 2022, according to the Ministry of Environmental Protection and Natural Resources of Ukraine, the total damage to the environment was estimated at more than EUR50bn, including:

- *Air pollution. Around 33mt of CO_{2eq}. were emitted in 2022 due to military hostilities, movement of internally displaced people and fires. It was also estimated that 49mt of CO_{2eq}. would be emitted in the process of the post-war recovery and reconstruction.*
- *Forest destruction. Along with CO_2 emissions Ukraine suffered from significant damage to forests with over 340kha of woods damaged by fires and cut down to build tranches.*
- *Groundwater and soil contamination. The war caused severe damage to the farmland and water resources as the soil and water reservoirs in military hostilities areas were polluted by chemicals and fuels from exploded rockets and artillery shells. Additionally, significant land area was damaged during the construction of defence lines leading to degradation of vegetation, wind and water erosion.*
- *Habitat destruction. As a result of russian invasion around one third of the biodiversity was affected and 200 areas of the Emerald Network appeared to be close to extinction.*

The total war impact is hard to estimate as the destruction continues daily. But it became clear that consequences of the war brought by russia to Ukraine are felt all around the world.

Impact on Astarta

From the beginning of the full-scale war the Company's top priority was health and safety of its employees and their families, as well as continuity of operations under the warfare conditions.

Office-based personnel worked remotely from home and shelters while production-based employees performed their duties when it was safe to do so. Many employees had to relocate from homes to other Ukrainian regions, as well as send their families abroad. Some workers had been called into the military service and their colleagues were filling the gaps in the workplace.

To support its employees the Company introduced special programme covering physical safety of employees, financial and psychological support, including for those drafted into the Armed Forces and their families. Over 300 of Astarta's employees joined the army and 16 employees were killed in combat as of the date of this report. The Company provided aid to families of those who gave their lives for the country's independence.

In 2022 more than 300 employees were provided financial and non-financial assistance under such programme. War-related additional financial payments to employees totalled EUR0.15m on top of EUR1.6m of regular wages that the Company continued to pay to the employees who had been called to the Armed Forces of Ukraine.

Astarta did not suffer material impact from physical damage of assets during the war with an exception of c.4kha under Astarta's management in the Chernihiv region that were under temporary occupation until the beginning of April 2022. Later in the same month the land was cleared of mines, unexploded shells, and sizeable metal fragments. The land did not require massive reclamation and the Company returned to farming operations there.

In May 2022 one of Astarta's employees — a civilian tractor driver working in the field — died from missile fired at the vehicle from a russian military aircraft away from the battlefield.

As a result of the mentioned russian military aircraft attack the tractor was destroyed. The estimated value of the machinery was EUR0.1m.

During 2022 the Company provided 133 units of motor transport of different types for the needs of the Armed Forces of Ukraine with the total estimated value of EUR0.5m.

The Company was also forced to reconsider its logistics modality. Before the full-scale war, Astarta's entire agricultural produce was exported by sea. Due to the blockade of seaports in March-July 2022, coupled with insufficient capacity of the European railway infrastructure and inspection delays in the operations of the Odesa-based grain corridor by russian inspectors, Astarta explored alternative overland export routes. This, together with increased prices for overland logistics, led to growth of S&D expenses from 6% of revenues in 2021 to 13% of revenues in 2022.

Due to high risks at the beginning of the war the operation of the soybean crushing plant was suspended for two weeks. In mid-March 2022 the Globynsky Processing Plant resumed operations and reached planned production capacity (for more information please refer to the Soybean Processing section of the Astarta's Annual Report 2022).

A guided missile fired from a russian plane hit Astarta's tractor working in the field

Due to the constant power outages caused by the russian missile attacks the Company purchased electricity generators to secure continuity of production processes. The cost of generators purchased in 2022 was EUR0.3m.

Since the start of the war domestic government institutions and businesses faced constant cyber-attacks from russia. Well organized technical infrastructure and professional team of Astarta's IT Department and proprietary IT software AgriChain successfully repelled these attacks. There was no damage to the IT systems of the Company recorded.

In 2022 direct charitable and social contribution of the Company totalled EUR3.5m. Total contribution from a dedicated humanitarian project set up by Astarta in collaboration with other parties reached USD18m. Astarta co-founded a large-scale humanitarian project Common Help UA in March 2022. The project grew through membership of other businesses, international organizations, local communities which united to help people in need, nurture local entrepreneurship, create jobs for internally displaced people, support domestic producers and the economy as a whole. By the end of 2022, Astarta provided 28kt of humanitarian supplies, including 39k of food rations, to c. 716k internally displaced civilians.

Risk Management

Astarta defines risk management as the process of identifying, assessing, monitoring and controlling potential risks. The main purpose of risk management is to find an optimal balance between company growth and acceptable risks.

Key components of the risk management process

1. **Identification.** The company identifies internal and external risks which have or can have an impact on the business.
2. **Analysis and assessment.** The company evaluates the nature of risks which can considerably impact the company's ability to achieve its goals, including risk probability and degree of the impact on the business.
3. **Control and monitoring.** The control and monitoring are conducted at all levels by the owners of risks within the operational process.
4. **Communication and consultation.** In order to ensure that the stakeholders in the risk management process are informed of the risks in a timely and accurate manner, the company diligently distributes relevant internal information.

The company identifies four groups of risks:

- *regulatory;*
- *financial;*
- *commercial;*
- *operational.*

The organizational structure of risk management is based on the three lines of defence model. This approach allows establishing a system of risk management that provides a reliable process for the identification, assessment, control and monitoring of all types of risks at all levels within the company. The management has primary responsibility for the daily oversight of risks. They form the first line of defence. The functions of the second line of defence are to identify and incorporate legal and regulatory requirements and risk appetite into internal regulations, to support and monitor risk control by operational managers and to integrate risk acceptance into strategic planning. The second line of defence is conducted by dedicated internal committees. The third line of defence is the internal audit. The internal audit service evaluates for the Board and Senior management the effectiveness of the first and second lines and provides an independent assessment of the effectiveness of the risk management.

Material Risk Factors and Threats

	Risk	Impact	Mitigation
REGULATORY RISKS	**Legal risk**	Non-compliance with applicable legislation can expose the business to legal liabilities, penalties and material losses (financial, reputational). Non-compliance of transactions with current legislation.	• Adherence to relevant compliance procedures and legislation, regular management of risks by the compliance committee. Professional competence of the staff. • Participation in industry associations for the purpose of representing the interests of the company.

	Risk	Impact	Mitigation
REGULATORY RISKS	**Compliance risk**	Losses (financial, reputational) due to violations of laws, corporate rules, codes of conduct, etc.	• Adherence to the relevant procedures of current legislation and internal policies. Professional competence of the staff responsible for the compliance. • Raising staff awareness and knowledge of relevant compliance procedures and regulations.
	Reputational risk	Inappropriate behaviour or actions of business partners, management or employees can harm the good name of the company resulting in reputational damage.	• Open and proactive communication policy. • Appropriate response and contingency plans. • Encouraging ethical behaviour of employees.
	State regulation and supervision	The business may be affected by changes in fiscal, tax or other regulations. In particular, the changes in the legislation relate to the reduction of the impact of the activities by agricultural companies on climate change, and the introduction of additional requirements for the disclosure of non-financial information.	• Monitoring and compliance with the regulatory environment. • Participation in industry associations in order to represent the interests of agro companies. • Taking measures to reduce the impact of the activities by agricultural companies on climate change, in particular to increase energy efficiency by using alternative energy sources and increasing the efficiency of natural resource use.
	Corruption risk	Failure to properly manage the corruption risk may damage the company's reputation and impact financial performance.	• Strict adherence to the Anticorruption policy and controls.
FINANCIAL RISKS	**Liquidity risk**	The company's inability to meet its financial obligations in a timely manner may have a negative impact on its financial results.	• Strategic and financial assessment of the company's current performance and quick response to deviations from the set targets.
	Interest rate risk	Changes in interest rates may affect the financial performance.	• A financing strategy aimed at utilising opportunities to fix interest rates. For more details see the corresponding notes on the consolidated financial statements.
	Currency risk	High volatility of the Ukrainian hryvnia and exchange rate fluctuations may affect the business.	• Balanced sales strategy ensuring sufficient export revenues. • Matching the timing of export sales with the purchase of inputs denominated in foreign currencies. • Fixing purchase and sales prices.

	Risk	Impact	Mitigation
COMMERCIAL RISKS	**Price risk (for purchasing/selling)**	Volatility of the raw material prices may affect the results of operational activity and profitability. Risks of unprofitable trading activity.	• Product price fixing. • Diversified portfolio of products. • Balanced portfolio of customers. • Flexible sales policy. • Tight control of the trade positions • Strategic long-term cooperation with suppliers and a diversified supplier base. • Resource and energy saving.
	Counterparty risk	Non-fulfilment of financial obligations by counterparties may adversely impact the company's financial position.	• Risk management policies and counterparty risk assessment systems. • Regular analysis, verification and monitoring of counterparties and agreement terms.
OPERATIONAL RISKS	**Climate risk**	Unfavourable weather conditions and low precipitation could have a negative impact on crops' yields and per-unit cost of production. Introduction of legislation aimed at reducing GHGs may result in additional taxes and/or fines. Decline in demand for some types of products due to changes in consumer preferences in favour of more eco-friendly products.	• Location of business units in different climatic zones of Ukraine in order to spread the geographical diversification of the risk. • Expanding irrigation. • Adjusting the crop mix towards changing climate conditions. • Modern agronomic solutions including precision farming to minimize and deliver inputs at the right place and time. • Assessment of global food trends and scenario analysis. • Cooperation with food industry leaders and key off-takers.
	Staff risk	Shortage of qualified, insufficient motivation, the risk of fraud and staff illegal actions can affect the activities of the company.	• Educational projects to encourage young people to join agriculture and promote attractiveness of the industry for prospective employees. • Internship for students with a further job placement. • Professional training and development programmes. • Material and non-material staff motivation programs, staff reserve creation. • Control of staff actions and internal staff management systems.

OPERATIONAL RISKS

Risk	Impact	Mitigation
Technical/ Technological risk	Deterioration of product quality may affect the company's reputation and customer relationships. The use of outdated technologies may carry risk of productivity loss.	• Quality management and certification. • In-house control systems. • Modernisation of production processes and technologies. • R&D solutions.
Ecological risk	Under business expansion the company may face a risk of environmental components pollution (air, water, soil, flora and fauna) which can result in disruption of expansion plans or complicate the business activities.	• Strict environmental monitoring according to national legislation and internal corporate standards.
Operational processes	Shortcomings or errors in the organization of internal processes, intentional or unintentional actions of employees or other persons can affect the financial position of the agricultural holding.	• Effective system of internal control. Availability of business processes, regulations, appointing of responsible persons.
Loss of assets caused by any physical interference	Natural disasters, fires, robberies, fraud, military operations etc.	• Assets insurance. • Efficient health and safety system including fire-fighting capability. • Monitoring and control of employees' actions (internal security function). Video surveillance. • Increasing the share of long-term land lease contracts (up to 49 years). Monitoring legislation regarding the mechanisms and rules of land sales and land leases. • Control of staff actions and internal staff management systems.
Logistics and storage risk	Logistical challenges may negatively impact relations with clients and interfere with business processes	• Inhouse network of grain and oilseeds storage and handling facilities. • Inhouse transportation fleet.
IT risk/cyber risk	Data loss or dissemination may have a negative impact on the financial position and reputation of the company	• Implementation of the information security and cyber-risk management systems, Business Continuity Planning (BCP) • Cloud storage systems, systems of independent servers, and backup systems

OPERATIONAL RISKS

Risk	Impact	Mitigation
Pandemics (COVID-19, monkeypox, etc.)	The consequences of the pandemic can disrupt the activities of the company.	• An intensive communication and educational campaign among the staff on the risks associated with pandemics to promote its prevention. • Creating remote work possibilities for office workers, including the provision of all necessary equipment, materials etc. The promotion of personal hygiene and distribution of detergents and disinfectants to be used by employees and for equipment and common areas.
Risks of military operations/ Imposing martial law	A negative impact on the continuation of business process: • mobilization, travel restrictions, loss (including death) of employees. • damage to assets; • the impossibility of operating due to hostilities in certain territories; • the insufficiency and impossibility of obtaining enough inventories, fuel, etc; • the destruction of logistics chains; • difficulties in obtaining sufficient services to ensure production and work processes (water supply, electricity supply, Internet, etc.).	• The creation of new logistics routes, search for new contractors. • Creating remote work possibilities for office workers, including the provision of all necessary equipment, materials etc. • Reservation of conscript workers. • Conducting a communication and educational campaign among the staff on the issue of medical assistance and evacuation. Arranging emergency points. • Purchase of additional necessary equipment and materials (uninterruptible power supplies, generators, Starlink, etc.).

SUSTAINABILITY

The war created extremely difficult challenges for Ukraine. Millions of people have lost their security, housing, and some — their relatives and friends. Persistent military strikes of cities and towns by russian missiles and shell mining of territories is a colossal tragedy for people and a massive environmental disaster. In response to these challenged, the social sphere became the top priority for businesses in Ukraine with utmost effort focused on saving lives, protecting human rights and freedoms, overcoming hunger and poverty, promoting peace, justice, and strong institution-building.

Impact of war on the environment is hard to underestimate, but, at the same time, it is still too early to assess the full damage to the environment as the destruction continues on a daily basis. One thing is obvious that shelling of forests, land and water ecosystems as well as related infrastructure has caused huge damage, with significant consequences for human health and environment.

Along with the war-related environmental impact, which is yet to be assessed, global climate challenges continue picking up momentum. With droughts, floods, pollution, water scarcity, soil erosion becoming for frequent, climate change tops the global agenda. The agricultural sector plays an important role in climate change mitigation through carbon sequestration by removing CO_2 from the atmosphere and storing it in the soil. Ukraine has roughly 42mha of arable land which can become a large-scale decarbonisation solution for the European continent. At the same time the industry needs to turn from conventional to regenerative agriculture, utilising reduced tillage and cover crops to sequester greenhouse gas emissions and store it in Ukrainian soil.

Key achievements in 2022

After the full scale russian aggression started in February 2022 the Company's attention turned to the social aspect of sustainability. Help to temporally displaced people who suffered from military hostilities became one of the top priorities in 2022.

At the start of the war, Astarta co-founded a large-scale humanitarian project Common Help UA. The project grew through other businesses, international organizations, local communities and temporarily displaced civilians joining in to help those in need, nurture local entrepreneurship, create jobs for displaced people, support domestic producers and the economy as a whole. By the end of the 2022, estimated monetary value of donations and humanitarian supplies to Common Help UA project reached USD18m. The project was involved in delivering 28kt of humanitarian supplies to circa 716k displaced civilians.

Astarta continues to put every effort to maintain its development in key areas of the sustainability during war time.

In 2022 Astarta continued development of the Climate Action Plan in partnership with the European Bank for Reconstruction and Development and, at the beginning of 2023, finalised the analysis of climate change risks and opportunities, mitigation actions and relevant improvement in corporate governance practices. As a result, enhanced disclosure of GHG emissions and climate governance under TCFD recommendations was included in this report.

Astarta also joined the project with Agreena — a soil carbon platform for farmers aimed at scaling regenerative agriculture practices through finance and technology. Agreena's platform will be used to conduct assessment, monitoring and verification of greenhouse gas emission reductions resulting from change in farming practices on the assigned land area.

The Company's crop growing subsidiary called List-Ruchky had its status of an organic producer reconfirmed and successfully passed the certification by the Organic Standard and Bio Suisse. It also passed the inspection for the European/Danube soy certification.

Astarta won the All-Ukrainian HR-Brand Award 2022 in the Partners' Choice nomination with HR strategy case "Towards a global agricultural ecosystem: people are at the centre of transformation"

During the UN Global Compact Leaders' Summit in New York Mr. Viktor Ivanchyk, Astarta's CEO, representing Ukraine, was named a 2022 SDG Pioneer for Sustainable Business Strategy for achievements in promoting the Sustainable Development Goals.

In 2022 Forbes Ukraine ranked Astarta among 15 the most resilient Ukrainian companies. The ranking was prepared based on assessment of resilience of Ukrainian businesses under the war-time conditions.

The key topics of this year's competition were human-centricity in talent management, transformation of the HR function in the new reality, supporting the resilience and productivity of teams, transformation of corporate culture and how the company's cultural code helps to survive in war; the use of digital technologies and automation of HR processes, new approach to online training and employee development, and attracting talented youth.

Energy

The nature of Astarta's business implies use of different energy resources like natural gas which is mainly used by the Sugar Production and Soybean Processing segments and liquid fuels mostly consumed in the Agriculture segment.

In 2022 key production sites in the Sugar Productions and Soybean Processing successfully confirmed certification according to the international standard ISO 50001 "Energy management".

Sugar production is one of the most energy intensive processes in the food industry. Overall energy consumption in the Sugar Production decreased by 10% to 2,077kGJ due to lower production volumes. The natural gas consumption declined by 22% y-o-y to 38.6mm^3 and biogas consumption increased 6x y-o-y to 7.4mm^3. The share of the Sugar Production in the total energy consumption was 62%.

The Agriculture segment is the main consumer of diesel used by agricultural machinery. In 2022 diesel consumption per ha reduced by 10% y-o-y to 64kg/ha as some field operations were completed in 2023 whereas in 2021 these filed operations were performed before the year end. Overall energy consumption in the Agriculture reduced by 16% to 871kGJ representing a 26% share in total energy consumption.

Energy consumption in the Soybean Processing increased by 22% y-o-y to 270kGJ due to higher soybean processing volumes in 2022. Biogas consumption in the Soybean Processing segment increased 7x y-o-y to 6.2m m^3 replacing the natural gas consumption needs by up to 50% (or 3.5mm^3). The share of the segment in the total energy consumption was 8%.

The Cattle Farming energy consumption increased by 2% y-o-y to 117kGJ due to the growth in diesel consumption by 10% y-o-y to 1.7kt used for generators during blackouts.

Responding to climate change Astarta seeks ways to reduce its negative impact through the use of sustainable energy sources like biomass pellets and biogas produced by an in-house bioenergy facility which allows to partially replace natural gas at several production sites.

> ***Total energy consumption from renewable energy sources more than doubled y-o-y to 346kGJ representing 10% of the company's total energy balance.***

Astarta further enhanced the methodology of energy calculation by switching to use of the main source of specific indicators for the calculation of energy consumption is Ukraine's Greenhouse Gas Inventory 1990–2020 (Annual National Inventory Report for Submission under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, Kyiv 2022) and internal technical documentation.

Based on the new calculation methodology the company restated energy consumption for the previous reporting period. The updated data is presented below.

Energy consumption by segments, kGJ	2020	2021*	2022
Sugar Production	2 088	2 309	2 077
Agriculture	1 050	1 036	871
Soybean Processing	271	222	270
Cattle farming	108	115	117
Total	**3 533**	**3 689**	**3 352**

Energy consumption per source of energy, kGJ	2020	2021*	2022
Non-renewable sources	**3 429**	**3 549**	**3 006**
Natural gas	2 171	2 121	1 624
Liquid fuels (diesel, petrol, LPG)	842	847	757
Coal	253	441	496
Electricity purchased	164	140	128
Renewable sources	**103**	**140**	**346**
Biogas	73	42	255
Other	31	98	91
Total	**3 533**	**3 689**	**3 352**

Energy intensity per unit of production, kGJ	2020	2021*	2022
Sugar produced	7.2	6.3	7.1
Crop grown	0.3	0.3	0.3
Soybean processed	1.3	1.3	1.3
Milk produced	1.2	1.2	1.1

** restated*

Water Withdrawal and Discharge

Water is the most widespread resource on the planet but only 2.5% of reserves is suitable for human consumption. According to FAO agriculture is the largest water user, accounting for 70 percent of total freshwater withdrawals. Ukraine is among the countries with insufficient access to freshwater resources which is especially noticeable in its southern regions in need for irrigation.

Astarta's business operations are in the central and western regions with higher levels of precipitation and availability of water resources. According to the Aqueduct Water Risk Atlas the Company withdraws water in high, medium-high, and low-medium areas of water risk. Yet, responsible consumption of water is among key priorities for the Company.

In the Agriculture segment water is mainly used in irrigation and application of plant protection products, and general household needs. The discharged water is mainly wastewater collected in special reservoirs for further discharging and treatment by specialist organisations.

In the Sugar Production water is used for washing sugar beets and for cooling power stations at sugar mills. Sugar plants have different categories of water used in sugar beet processing. The first category of water is technical water from a water reservoir, the second category of water is clean water used for sugar beets washing and their transportation along the conveyor belt. The third category of water is wastewater that contains sludge from the technological process. The latter category of water is not returned to the production cycle but discharged to the absorption fields next to the sugar plants for natural biological treatment of wastewater.

The Soybean Processing segment withdraws relatively small amount of water for processing operations. Like in sugar operations operations wastewater is discharged to the absorption fields.

Cattle Farming operations withdraw water mainly for watering the animals and washing milking equipment. The wastewater is discharged to special reservoirs for further discharging and treatment by specialist organisations.

To control the quality of intake water and discharged wastewater Astarta performs a specialized analysis under internal annual monitoring plan.

Astarta withdraws fresh water from surface and underground sources according to limits and permits from local authorities.

Land Use and Biodiversity

Since the full scale russian invasion Ukrainian environment suffered significant damage caused by the military hostilities. As of the end of 2022 according to the Ministry of Ecology the total damage to the environment is estimated at UAH1.7 trillion (EUR50 billion). It includes damage from air pollution from burning of oil products; forests devasted by fires and cut down to build tranches; groundwater and soil got contaminated with heavy metals and toxic chemicals; wildlife killed or pushed out of their habitats etc.

According to national experts Ukraine is home to more than 70k animals and plants species which represents 35% of the estimated European biodiversity. As a result of russian invasion around one third of the biodiversity was affected and 200 areas of the Emerald Network appeared to be close to extinction.

The war also caused severe damage to the farmland which is a key asset for agriculture sector in Ukraine. The land around military hostilities was polluted by chemicals and fuels from exploded rockets and artillery shells affecting the local ecosystem.

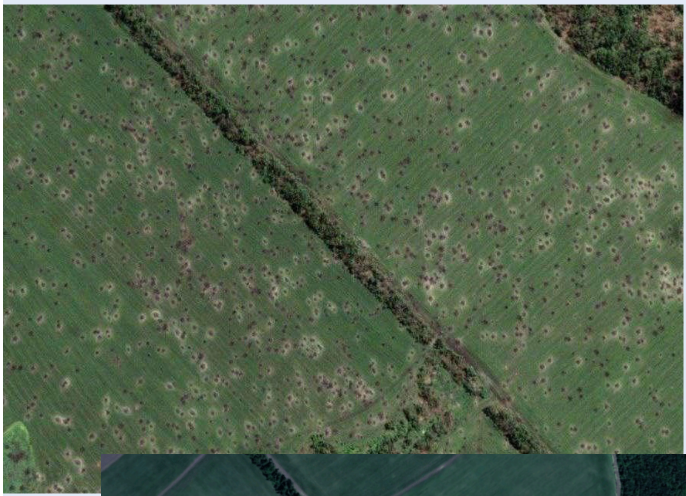
Land under management of Astarta was not heavily affected except for c.4kha in the Chernihiv region which were under temporary occupation until the beginning of April 2022. The latter were cleared from mines, unexploded shells, and sizeable metal fragments. Considering that the land was not significantly affected and did not require reclamation Astarta returned to farming operations there. At the same time nearby forests are still not cleared of mines, unexploded shells, metal fragments and chemicals.

Understanding the importance of preserving the biodiversity and land resources in farming operations Astarta is engaged in regenerative practices and aims to further tilt its farming practices towards higher positive impact on biodiversity and land. One of the

→ *continues on page 47*

By way of example, below are the satellite images of the same field in the Kharkiv oblast published by the Ukrainian Nature Conversion Group (UNGC).

According to UNGC there are 480 craters from 82-millimeter shells, 547 craters from 120-millimeter shells, and 1,025 craters from 152-millimeter shells on this image. As a result, around 50 tonnes of iron, 1 tonne of sulphur compounds, and 2.4 tonnes of copper was released into the soil within one square kilometer.



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key elements of regenerative farming is reduced tillage approach as the depth of tillage is linked to the soil degradation and change in biodiversity. In 2022 the Company applied reduced tillage to 106kha.

Another important element of regenerative farming is use of cover crops and reduction in use of synthetic fertilizers by applying nitrification inhibitors and organic fertilizers. These protects soil from erosion, therefore improving its health. In 2022 Astarta used cover crops, nitrification inhibitors and organic fertilizers on the area of 11kha.

Astarta actively uses digital solutions for land management such as proprietary IT software called AgriChain developed by its in-house agritech subsidiary. The AgriChain Land module allows to monitor and control location of land plots operated by the Company in relation to the nature reserve areas. Astarta can make a fast verification whether a land plot which is considered for potential lease belongs to such areas.

There are also other elements of digitalisation and precision farming employed such as differentiated sowing, fertilisers and crop protection application to improve productivity while mitigating negative impact on soil.

Raw materials such as soybeans and sugar beets supplied to the Company's processing plants are grown in-house or by local farmers. Neither Astarta's agricultural subsidiaries engaged in crop and milk production, nor local farmers use any deforested land or involved in any kind of deforestation activities.

Astarta's approach to land use and biodiversity is based on the corresponding policies and standards developed according to national and international requirements.

Astarta implemented the following key standards, policies and procedures in the sphere of land use and biodiversity: the Sustainability Policy, the Environmental Policy, the Sustainable Agriculture Policy, the Deforestation Policy, the Biodiversity Corporate Standard.

Based on the above-mentioned documents management of the Company is committed to:

- *assesses the potential effects, cumulative, direct and indirect impacts of any new or reconstruction project on biodiversity;*
- *use the components of biological diversity in such a way and at a speed that does not lead to its long-term reduction*
- *abide by the principle of avoiding the impact on biodiversity and minimization of potential impact;*
- *keep the company's operating activities out of protected areas, such as nature reserves;*
- *introduce modern regenerative farming practices;*
- *use species that are naturally adapted to local and regional ecosystem for higher resistance to pests and diseases;*
- *implement best practices for sustainable management.*

Emissions and Acting on Climate Change

GHG and other emissions

Among emissions generated by Astarta's business activities are greenhouse gas emissions: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and other emissions such as particulate matters (PM), nitrogen oxides (NOx), sulfur dioxide and compounds (SOx).

The Company performs annual environmental monitoring under national law to control:

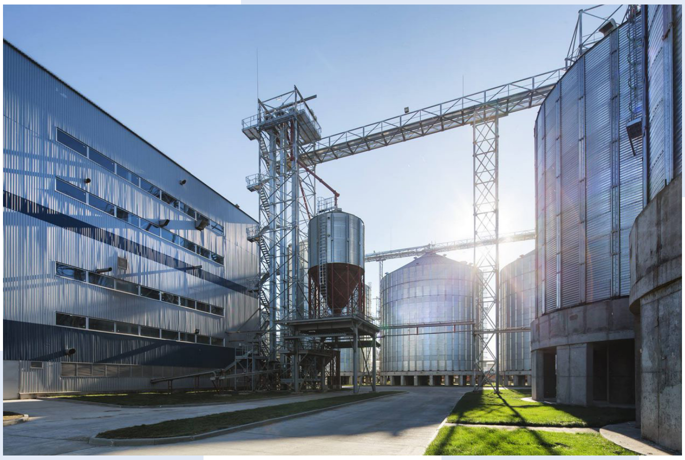
- *air emissions from stationary, mobile sources, and at the borders of the sanitary protection zones;*
- *efficiency of dust and gas capture;*

Under the project Climate Action Plan Astarta updated its inventory of GHG emissions sources for all business segments following GHG Protocol Standards, IPCC Guidelines and Ukraine's Greenhouse Gas Inventory 1990–2020. As a result, the Company enhanced disclosure of Scope 1, 2, 3 and added disclosure on biogenic emissions to this report. The global warming potential used in the calculations is based on the IPCC's Sixth Assessment Report, 2022 (AR6).

GHG emissions from land management, wastewater, and refrigerants were added to the 2022 and 2021 Scope 1 emissions resulting in restatement of Scope 1 emissions for 2021.

Scope 1 emissions

Under an updated methodology, the Agriculture is the biggest emitter of direct GHG emissions (Scope 1) with 54% share of total. In 2022 the segment generated 261kt of CO_{2eq} (down by 15% y-o-y) with the most significant share of emissions coming from land management (78% of total). GHG emissions from land management decreased by 15% y-o-y to 204kt of CO_{2eq} due to lower amount of nitrogen applied to soil.



Direct GHG emissions in the Sugar Production (27% share in total Scope 1 emissions) decreased by 26% y-o-y to 128kt of CO_{2eq} due to lower production volumes.

Direct GHG emissions from the Soybean Processing operations increased by 20% y-o-y to 13kt of CO_{2eq} due to the increase in soybeans crushing volumes by 23%. Share in the total Scope 1 emissions was 3%.

Scope 1 emissions in Cattle Farming (stationary and mobile sources, manure management, enteric fermentation, refrigerants, and wastewater) were calculated according to Tier 2 approach of IPPC Guidelines. Total direct emissions grew by 7% y-o-y to 74kt of CO_{2eq} due to the increase of average annual herd. Share in the total Scope 1 emissions was 16%.

Direct GHG emissions from the biogas production and head office space are insignificant with 1% share in total Scope 1 emissions.

Total Scope 1 emissions amounted 480kt of CO_{2eq}, (down by 14% y-o-y) representing 63% within the scopes.

Scope 2 emissions

Scope 2 emissions are derived from consumption of purchased electricity.

The Agriculture segment consumes purchased electricity mainly during the process of cleaning and drying grains and oilseeds. In 2022 the segment emissions were reduced by 28% y-o-y to 4kt of CO_{2eq} or 28% of total Scope 2 emissions, due to the lower volumes of grain and oilseeds handling.

The Sugar Production segment uses electricity mainly during the plant maintenance period. Its share in total Scope 2 emissions is 17% or 3kt of CO_{2eq}, down by 14% y-o-y reflecting lower volume of maintenance works.

The Soybean Processing segment was the biggest consumer of purchased electricity and emitted 4kt of CO_{2eq} (up by 9%) or 28% of total Scope 2 emissions.

The Cattle Farming consumes purchased electricity to ensure the operation of refrigeration and milking equipment. Share in total Scope 2 emissions was 24% or 4kt of CO_{2eq} in 2022.

Total Scope 2 emissions amounted to 15kt of CO_{2eq} (down by 8% y-o-y) with 2% share in the total direct and direct emissions.

Scope 2 emissions calculation is based on the CO_2e grid emissions factors from the Harmonized IFI Default Grid Factors 2021 v3.1.

Scope 3 emissions

In 2022 the Company calculated downstream and upstream emissions under GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 emissions calculation was performed following CO_{2eq} emission factors of GHG Protocol "Scope 3 Evaluator", Department for Environment, Food and Rural Affairs of UK, UK and England's carbon footprint to 2019, and United States Environmental Protection Agency, GHG Emission Factors Hub.

According to GHG protocol Scope 3 emissions are divided into 15 distinct reporting categories. The Company evaluated all 15 categories and identified the following most applicable categories of Scope 3 emissions:

- *Category 1 emissions from purchased goods and services are the most significant in the total Scope 3 emissions with 40% share or 109kt of CO_{2eq} (up by 3% y-o-y).*
- *Category 3 emissions from fuel- and energy-related emissions decreased 16% y-o-y to 41kt of CO_{2eq} due to lower fuel and electricity consumption. The category share in the total Scope 3 emissions was 15%.*
- *Category 4 emissions from upstream transportation and distribution increased by 30% to 21kt of CO_{2eq} due to longer delivery distances of input materials or 7% from the total Scope 3 emissions.*
- *Category 9 emissions from downstream transportation and distribution represent 25% share in the total Scope 3 emissions. In 2022 emissions in this category increased 3.5x to 67kt of CO_{2eq} due to the change in products delivery terms towards longer delivery distances.*

Total Scope 3 emissions increased by 21% y-o-y to 271kt of CO_{2eq}. corresponding to 35% share in total direct and indirect emissions.

Biogenic emissions

Biogenic CO_2 emissions are defined as emissions from biological sources or materials derived from biological matter. Biogenic material is a material derived from biomass, which includes organic material (both living and dead), e.g. trees, crops, grasses, tree litter, algae, animals, manure and waste of biological origin. All sources of biogenic emissions are associated with carbon of biomass origin, which has been previously accumulated from atmosphere during biomass growth period. This defines separate approach for accounting of GHGs emissions compared to other anthropogenic emissions.

Emissions from soil carbon loss increased by 27% to 286 kt of CO_{2eq} (92% share of total biogenic emissions) due to 41% lower amount of nitrogen application to the soil in 2022 at 13kt. Lower nitrogen application rate leads to a rise in the share of carbon losses from soil.

6x increase in biogenic emissions from biogas combustion to 14kt of CO_{2eq} reflects higher biogas production volumes in 2022 versus the previous year.

In 2022 the Company calculated biogenic emissions for the first time. For comparison purpose Astarta also calculated biogenic emissions for 2021. The main sources of the Company's biogenic emissions are soil organic carbon loss, biogas, and biomass combustion (dry granulated beet pulp and woodfire).

Summary data on Emissions

kt of CO_{2eq}	2021*	2022
Total emissions, including:	**1 040**	**1 079**
Scope 1	561	480
Scope 2	17	15
Scope 3	224	273
Biogenic emissions	238	311

Scope 1	2021*	2022
By key gas type, kt		
CO_2	249	199
CH_4	2	2
N_2O	1	1
by segment, kt of CO_{2eq}		
Agriculture	308	261
Sugar Production	172	128
Cattle Farming	70	74
Soybean Processing	11	13
by source, kt of CO_{2eq}		
Fuel combustion	256	207
Land management	240	204
Enteric fermentation	51	53
Manure management	11	13

Scope 2	2021*	2022
by segment, kt of CO_{2eq}		
Agriculture	6	4
Soybean Processing	4	4
Cattle Farming	4	4
Sugar Production	3	3

** restated*

Scope 3	2021	2022
by key GHG protocol category, kt of CO_{2eq}		
Category 1: Purchased goods and services	106	109
Category 9: Downstream Transportation and Distribution	19	67
Category 3: Fuel- and energy-related activities	49	41
Category 2: Purchased capital goods	35	35
Category 4: Upstream transportation and distribution	15	21

Biogenic emissions	2021	2022
by sources, kt of CO_{2eq}		
Biogenic emissions from soil organic carbon loss (CO_2 emissions)	226	286
Biogenic emissions from biogas combustion	2	14
Emissions from biomass combustion	10	10

As a business that operates in a land-intensive sector Astarta will consider joining the Science Based Targets initiative (SBTi) Forest, Land and Agriculture (FLAG). With this in mind, the company also started to calculate emissions with the breakdown on FLAG and non-FLAG emissions.

FLAG and non-FLAG emissions

kt of CO_{2eq}	2021	2022
FLAG emissions:	**528**	**556**
Soils	466	490
Livestock	62	66
Non-FLAG emissions:	**288**	**250**
Fossil fuels combustion	256	207
Electricity purchased	17	15
Biogas combustion	2	14
Biomass combustion	10	10
Other	3	4

The FLAG emissions increased by 5% to 556kt of CO_{2eq} with 69% share of all emissions due to the higher volumes of GHG emissions from land management. The non-FLAG emissions decreased by 13% to 250kt of CO_{2eq} due to lower fossil fuel and purchased electricity consumption.

Acting on Climate Change

The russian invasion of Ukraine led to the significant damage to the environment with the impact spreading well beyond Ukrainian borders. It threatens the ambition of global efforts towards curbing the climate change as the military hostilities cause large-scale emissions of greenhouse gases and contamination of the environment with harmful munition-related substances. According to the Ukrainian Ministry of Environment the war-related hostilities caused nearly 33mt of CO_2 eq. emissions, numerous fires and mass migration of the Ukrainian population. Post-war recovery and reconstruction would add an estimated 49mt of CO_{2eq}.

At the same time, Ukraine has a well developed agriculture which has a significant potential for removing CO_2 from the atmosphere and storing it in soil and thus can play an important role in climate change mitigation.

Land use and land use change is the largest component of climate mitigation after energy and industry. It is estimated that 25–30% of total human-related emissions come from agriculture, forestry and other land use (AFOLU). Agriculture occupies c.40% of global ice-free land, uses 75–84% of global consumption of water and, among others, causes the biodiversity loss at the highest rate in history. Conventional agricultural methods also mean that up to 50% of synthetic fertilisers are not delivered to plants but sunk into the surface and groundwater or emitted into atmosphere contributing to the temperature rise.

Scientists call for taking out 10–30% of land out of agricultural production for ecological conservation and, if done via reforestation, the decarbonisation would be an additional benefit. Water and fertilizer use can be reduced via precise application and soil analysis, and recycling of at least 50% of nutrients (manure, sewage, food processing waste).

There is need to increase efficiency of water use by drip irrigation, recirculation in greenhouses on top of buffering of water resources in lakes and aquifers, and in soil through increasing organic matter content. Farmers need to change crop rotation by switching to crops with lower water needs in water scarce regions and develop circular farming business model.

Agriculture has large potential to sequester carbon in plant biomass and in the soil. Worldwide soil contains 2,000–2,500Gt of carbon, which is 3x as much as all plants and 2x the amount of carbon in atmosphere. Agricultural soils have potential to sequester up to 2.5Gt of CO_2 per annum and achieve more than 60% of CO_2 sequestration targets for the Net Zero target according to IPPC.

There are two main ways for increasing soil organic carbon (SOC) in soils and its storage:

- *increase carbon-reach inputs (crop residues, compost, manure)*
- *reduce decomposition rate of organic matter and soil carbon losses due to erosion (reduced tillage, crop diversity, erosion management).*

It is estimated that agricultural soils lost 30–75% of original SOC due to conventional farming practices. The process of reaching a new SOC stoc ktakes 10–50 years. Agricultural practices for sequestering carbon in the soil and biomass is called "carbon farming". The main additional benefit of these practices is enhanced soil health and plant resilience to withstand different weather patterns.

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As one of the largest agricultural producers in Ukraine, Astarta is actively studying and utilising the elements of carbon and regenerative farming across its farmlands such as cover cropping, diversified crop rotation, crop residue covering, reduced tillage, organic fertilisers etc. The Company also has an in-house soil analysis laboratory and a unique database with a tight grid covering most of the fields under operational management. All key soil nutrients are regularly collected and monitored, and this information is used for adjusting the key soil fertility parameters.

By way of example, Differentiated Sowing and S-Control Monopile techniques tailor the amount of planting material to the specific land plot and allow increasing productivity of crops while saving on seeds. Astarta also actively uses other solutions such as AgriChain Scout — one of the key modules of AgriChain, Astarta's proprietary IT software system. It allows for remote monitoring of the crop growth process on its fields. In 2022 a new module was added to AgriChain Scout to include automated soil sampling for further analysis in the laboratory. The soil sampling crew drives to a selected field under the app guidance to take samples from specific segments.

Additionally, an application from the US "Planet Labs", specialising in Earth observation from space, was integrated into AgriChain Scout, to monitor condition of crops such as the level of vegetation, and the quality of seedlings in the fields by satellites equipped with a high-resolution telescope.

The increase in the average annual temperature and lower precipitation levels in Ukraine command a gradual change of crop mix towards a higher share of winter crops such as wheat and rapeseeds. Astarta's total acreage under winter crops increased from 54kha in 2021 to 62kha in 2022. The is also an increased focus on drought resistant varieties of spring crops, applying reduced tillage to preserve moisture in the ground, tailoring density of sowing and fertiliser application to specific soil conditions.

Agricultural science links climate risk mitigation to sequestration of carbon in soil and, at the same time, improving its health and productivity. The Company continued to follow a set of recommendations on regenerative practices developed within a project with Syngenta LLC (Ukraine). To measure the impact from change in farming practices Astarta developed a Baseline report for 2020 and monitors the carbon sequestration results on an annual basis through the Cool Farm Tool.

> ***Another possible area of expansion for Astarta under changing climate conditions is irrigation. Currently, 500ha of its land is under irrigation and there is significant potential for expansion in the future.***

Decarbonisation of the industrial processes of Astarta's business has been long established via reduction of natural gas consumption at the sugar mills under the energy efficiency programme of BAT (best available technology) and introduction of the biomass pellets as an alternative source of energy for beet pulp drying instead of natural gas.

Also in Sugar Production and Soybean Processing Astarta uses biogas from an inhouse biogas facility to replace natural gas consumption. This biogas facility uses sugar beet pulp, a residue from sugar production, as a primary raw material for biogas production. In 2022 replacement of natural gas with biogas reached 10% out of total gas consumption in the Sugar Production segment versus 2% in 2021, and in the Soybean Processing segment biogas substituted 50% of total gas needs versus negligible amount in 2021.

In 2022 Astarta continued reporting under the Carbon Disclosure Project (CDP) on its activities aimed at climate change adaptation and mitigation.

In 2022 Astarta entered into a tri-party agreement with the EBRD and EY to develop a comprehensive system of climate corporate governance. Under the project the Company enhanced its GHG calculation for Scope 1–3, was provided with a climate scenario analysis for 1.5–4°C growth in global temperature, identified physical and transitional climate risks, analysed existing and prospective decarbonisation initiatives.

Waste

As a big agroindustrial holding Astarta generates hazardous and non-hazardous waste in the process of its daily operating activities. The separate waste collection and temporary storage comply with domestic legislation and internal standards. Before disposing of hazardous and non-hazardous waste, it is temporary stored in special yards with marked boxes for waste sorting. To dispose the hazardous and non-hazardous waste, Astarta cooperates with companies that are reputable and licensed by relevant authorities to handle such waste. Within waste recovery operations these companies can obtain valuable components or incinerate waste for energy generation.

The waste generated by the Company is determined by the level of hazard: 1st, 2nd, 3rd and 4th categories in line with national requirements. The share of hazardous waste is negligible and mainly comes from fluorescent lamps, battery packs, used oils, used packaging of pesticides, fertilizers, other chemical materials etc.

Non-hazardous waste generated by the Company mainly includes residue from the production process such as paper, plastic, waste from packaging materials, used tires etc.

Solid household waste generated within the Company's activity is disposed at landfills.

In the process of sugar beets processing Astarta produces sugar and generates by-products such as sugar beet pulp and molasses. Sugar is sold mainly in 25kg, 50kg and 1,000kg polypropylene bags as well as in bulk. Bags for sugar packaging are supplied by third parties. Customers who buy sugar in bags can either dispose of or reuse these bags. Molasses is sold as is while sugar beet pulp is partially baked into a granulated product and partially used as a feed for livestock.

The Sugar Production segment also generates filtration sludge in the technological process. This type of waste has two fractions: dry and wet. The wet fraction is disposed to the absorption fields. The dry fraction is used for absorption fields maintenance. Other waste generated by the segment comes from input materials such as technological inputs, batteries, materials for laboratory and transport maintenance which are sent on for further disposal by third parties.

The key products produced by the Agricultural segment are grains and oilseeds as well as sugar beets. Grains and oilseeds are sold in bulk mainly for exports and sugar beets are processed internally by the Sugar Production segment. The Agricultural segment generates organic residue after harvesting row crops. Some of the residues are left in the fields to preserve soil and some are used in cattle farming as bedding for cows.

There is also some plant-based residue generated in silo handling of grains and oilseeds which are partially disposed to landfills and partially sold. The residue which is sold can be processed into pellets, feeds, and animal bedding. The Agriculture segment also generates waste from operating and maintenance of machinery and transport as well as packaging from pesticides and fertilisers which are further utilized by relevant companies.

Soybean meal and oil are the key products in soybean crushing which are sold in bulk. The by-product of the crushing process is husk which is sold to third parties. The Soybean Processing segment also generates waste during the process of cleaning equipment, wastewater treatment, and replacement of filters in dust and gas treatment installations.

Milk is the key product of the Cattle Farming segment. The milk is sold in bulk without packaging. Manure generated on the cattle farms is applied as fertilizer on the fields in the Agricultural segment. The Cattle Farming generates waste from use of veterinary inputs and medicines derived from animal healthcare.

Animal Welfare

The war, provoked by russia, created unprecedented challenges for Ukrainian farmers and animals in the areas directly and indirectly affected by military hostilities. Livestock suffered immensely from abuse, injury, or death in such areas. Thus, the issue of animal welfare is one of the key concerns in Ukraine.

Astarta's dairy farms didn't suffer losses but prioritized the importance of humane treatment and animal health and welfare. Thus, amidst the occupation of the Northern Ukrainian territories, Astarta provided temporary shelter at its dairy farms for more than one thousand rescued and relocated cows from the Kharkiv region.

The Company strongly believes that animals should be treated well; thus, actions to improve herd welfare are constantly in focus. In 2022 improvements included: the reconstruction of premises for loose keeping, equipment for 770 stalls with special comfortable bedding, and improved insect management by installing electric insect killers on farms.

Astarta ensures good animal living conditions in the cowshed and during outdoor grazing. In the cowshed cows have thick mattresses, sufficient room to move and walk around, massage brushes, constant access to clean drinking water, and balanced and timely feed. At times of power outages, generators were installed to meet the farm's needs.

Astarta constantly monitors the somatic cell count (SCC) by analyzing milk each time it is collected from the farm. An elevated level of somatic cells in milk can indicate inflammation or mastitis, which causes pain and stress to the animal and lowers milk quality. At Astarta, the somatic cell count in milk is always kept within the range of 200-300k cells/ml, while the state standard requires that extra-grade milk has up to 400k somatic cells/ml. Apart from SCC control of milk at dairy farms, individual cow monitoring for subclinical mastitis infection is carried out twice per month to effectively prevent and control inflammations, thus creating more efficient and sustainable dairy systems.

> ***The Company believes that a healthy cow produces more milk, of better quality, and for longer. Moreover, a healthy and more productive herd helps to reduce environmental impact by lower greenhouse gas intensity per litre of milk produced. This is why the Company focuses on animal welfare, nutrition, health, and productivity.***

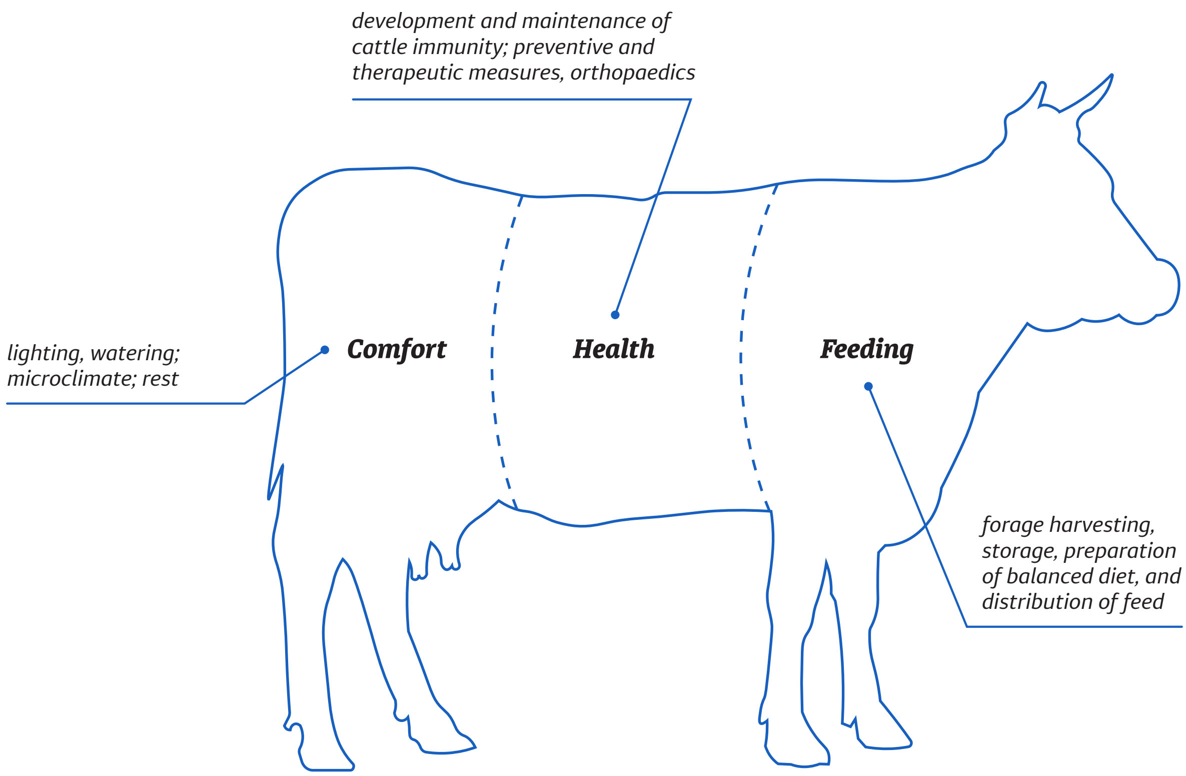
Astarta regularly adjusts feed mix that enhances balanced nutrition, improve feed conversion ratio, and promote animal welfare and health. In 2022, the Company conducted extensive research on animal feed to maximize efficiency when calculating rations. Both raw (green mass) and finished feed components (haylage, silage) were examined. Based on these findings, feed rations at Astarta's Feed Centre were adjusted to better satisfy animals' needs for nutrients and minerals. This allowed for the daily unit milk yield to increase from 22.6 to 23.6kg.

The Company's digital automated ProFeed animal feeding system was operational at nine farms out of 35, unchanged from the previous year. Due to constant power outages and internet disruptions caused by russian missile attacks, the IT team developed offline backup version to ensure the integrity of the system.

In 2022 Astarta continued the implementation of the HACCP (Hazard Analysis and Critical Control Points) activities plan at all dairy farms. The Company's livestock personnel seek practices that enhance animal well-being and productivity, especially those that reduce stress and increase yields.

In 2022 all Astarta's dairy farms were included into the Raw Milk Control Programme run by the State Food and Consumer Service within the Quality FOOD Trade Programme framework. Its main objective is to increase the added value in domestic trade from the dairy sector for sustainable growth in Ukraine.

Basic animal welfare pillars



Human Capital

Astarta believes that people are its most vulnerable and valuable capital. Thus, since the start of the full-scale russian invasion of Ukraine safety of the employees and their families became the utmost priority for the Company. Office-based personnel worked remotely from home and shelters while production-based employees performed their duties when it is safe to do so. Many employees had to relocate from homes to other Ukrainian regions, as well as send their families abroad. Some workers had been called into the military reserve and their colleagues were filling the gaps in the workplace.

To support its employees the Company introduced special programme covering physical safety of employees, financial and psychological support, including for those drafted into the Army and their families. More than 300 employees were provided financial and non-financial assistance under such programme.

Despite the war Astarta continued creating conditions, opportunities and incentives through different projects to stimulate engagement and professional development of its employees.

Photo: A.Galkin, Forbes

- ***The Operational Improvement System of Astarta (OISA).*** *This is a management system designed for improving business processes and the involvement of each employee in the process of continuous improvement. In 2022 1,173 employees participated in the programme with 1,158 improvement ideas submitted. The economic benefits from such ideas totalled UAH11m in 2022.*
- ***Successors Development.*** *The programme is aimed at career development and training of personnel for key management positions. Potential candidates undergo the training programme for 1–3-year before being promoted to key management positions.*
- ***Staff Reserve.*** *The project aims to identify talented employees with potential leadership skills. Having selected such employees, the Company conducts special training to create a talent pool for potential senior positions.*
- ***Think Tank.*** *The project's goal is to collect ideas on efficiency improvements from the company's employees. This allows to identify creative and motivated individuals who are ready to take leadership role in transformation processes within the business and, at the same time, stimulate engagement of other employees.*
- ***School of Internal Experts.*** *The key purpose of the project is to share knowledge and successful experience within the Company by providing opportunities for self-realisation of employees.*

Employment

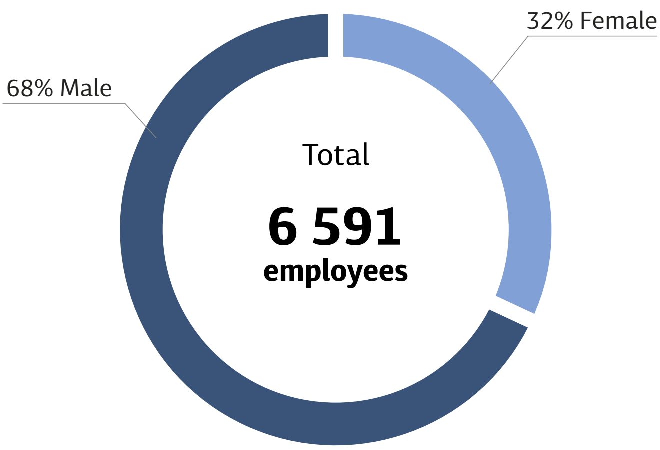
Astarta conducts its business nationwide, thus hiring people in different regions of Ukraine.

As of the end of 2022 the total number of employees was 6,591, up by 37% y-o-y as the Company had to reserve seasonal personnel during the martial law. Correspondingly the share of seasonal employees increased from 16% in 2021 to 37% in 2022. The breakdown of employees by age remained almost unchanged while the breakdown of employees by gender and professional level slightly changed reflecting an increase in seasonal employees.

Number of employees as of YE	2020	2021	2022
Age	**5 027**	**4 820**	**6 591**
up to 30 y.o.	710	618	803
	14%	13%	12%
30-50 y.o.	2 760	2 696	3 711
	55%	56%	56%
over 50 y.o	1 557	1 506	2 077
	31%	31%	32%
Gender	**5 027**	**4 820**	**6 591**
male	3 211	3 077	4 495
	64%	64%	68%
female	1 816	1 743	2 096
	36%	36%	32%
Level	**5 027**	**4 820**	**6 591**
managers	667	641	664
	13%	13%	10%
specialists	1 248	1 272	1 401
	25%	26%	21%
workers	2 967	2 769	4 378
	59%	58%	66%
other employees	145	138	148
	3%	3%	3%

Number of employees as of YE	2020	2021	2022
Segment	**5 027**	**4 820**	**6 591**
sugar production	711	729	1 453
	14%	15%	22%
agriculture	2 515	2 214	3 103
	50%	46%	47%
soybean processing	202	195	210
	4%	4%	3%
cattle farming	1 177	1 191	1 220
	24%	25%	19%
other	422	491	605
	8%	10%	9%
Type	**5 027**	**4 820**	**6 591**
permanent	4 250	4 046	4 165
	85%	84%	63%
seasonal	777	774	2 426
	15%	16%	37%

Employee gender breakdown, 2022



The gender gap is present due to the nature of agricultural operations.

The level of staff turnover cannot be measured precisely due to the specifics of the business – i.e. each business segment has different start and end dates, as well as different use of seasonal workforce.

Benefits Provided to Employees

The Company adopted a dedicated Social Policy which regulates benefits for the employees. To create comfortable working conditions and stimuli a, the Company provides the following benefits:

- *Financial incentives. One-time financial assistance, Reimbursable financial assistance (loans);*
- *Medical insurance and services. Preventative medical examination for the employees working under harmful conditions, voluntary medical insurance or wellness programmes; measures against COVID-19;*
- *Working and living conditions. Assistance in improving housing conditions for the key employees, professional development and training; transportation services including personal cars for key employees, mobile telephony;*
- *Other. Additional paid leave, nomination of the best employees for corporate and state awards.*

After the full-scale russian invasion of Ukraine the Company introduced dedicated programmes to support employees through difficult times via:

- *assistance in the relocation of employees and their families from the places of active military hostilities;*
- *financial support for the reconstruction of destroyed/damaged housing;*
- *psychological support – online psychological sessions, support groups for wives of mobilized employees, network of emergency psychological assistance agents;*
- *remote working conditions for the period of martial law;*
- *establishing emergency channels of communication with employees (monitoring of health and whereabouts of employees);*
- *Financial assistance in case of loss of next of kin;*
- *Financial assistance to employees who were injured as a result of military hostilities;*
- *Financial assistance to the families of deceased employees.*

For employees that were mobilized to the military and territorial defence forces:

- *One-time financial assistance during mobilization;*
- *Preservation of wages;*
- *Provision of uniforms.*

Parental Leave

Astarta respects the right of the employees to parental leave which is secured in corresponding legislation and internal policies of the Company. In 2022 195 employees were entitled to parental leave, out of which female employees – 139, and male employees – 56. Significant increase in the number of male employees under parental leave related to changes in the Ukrainian legislation which introduced equal gender rights such leave. 137 employees (all female) exercised their right of parental leave. 34 employees discontinued parental leave, of which 18 returned to work, out of which 16 were female. Return to-work and retention ratios were 53% and 82% correspondingly.

Number of employees	2020	2021	2022
Right to parental leave	**202**	**196**	**195**
Female	200	194	139
Male	2	2	56
Exercised the right to parental leave, incl.	**202**	**165**	**137**
Female	199	163	137
Male	3	2	–
Discontinued parental leave, incl.	**59**	**53**	**34**
Female	58	53	32
Male	1	–	2
Returned to work	**18**	**17**	**18**
Female	17	17	16
Male	1	–	2
Still employed 12 months after return to work	**n/a**	**16**	**14**
Female	n/a	15	14
Male	n/a	1	–
Return to work rate, %	**31%**	**32%**	**53%**
Female	29%	32%	50%
Male	2%	–	100%
Retention rate, %	**n/a**	**89%**	**82%**
Female	n/a	88%	82%
Male	n/a	100%	–

Minimum Notice Periods Regarding Operational Changes

Astarta abides by the requirements of corresponding national legislation in relation to minimum notice periods prior to operational changes.

In case the Company plans operational changes that can impact labour conditions of employees, it notifies the affected individuals or their representative two months before the planned changes. If an employee works for a subsidiary of the Company which is connected to a trade union, the notification is made three months before the planned changes.

There is also a minimum notice period set by the collective agreements. According to a standard agreement the minimum notice period is two months before the planned changes.

Occupational Health and Safety

In 2022 Astarta's occupational and health safety system faced the unprecedented challenges as a result of the military hostilities from by full-scale russian invasion of Ukraine. No occupational and health safety system, unfortunately, could fully protect people in the country which was attacked by russia.

One of Astarta's employee – a civilian tractor driver working in the field – died from being hit by a guided missile fired from a russian military aircraft away from the battlefield.

Nevertheless, Astarta continued putting best efforts into the area of occupation health and safety as a top priority even under the war-related circumstances.

Prevention of injuries, professional ailments, car accidents, emergency situations, and fatalities are all prioritized areas. The Company identifies risks related to the occupational health and safety performing an analysis of the technological processes, parameters, and technical characteristics of the equipment (substances) used. The Company controls parameters of working conditions to prevent near misses, first aid and lost time incidents, professional diseases. Under Operational Improvement System of Astarta employees create ideas for improving working conditions, among others. In 2022 employees generated 615 health and safety-related initiatives.

During the reporting period the Company worked towards mitigating the impact of hazardous factors in the high-risk workplaces in the Sugar Production segment. To minimize noise and high temperature at the certain workplaces, Astarta installed noise-insulation and air conditioning in the operator's room. Additionally, ventilation and aspiration equipment were installed for cooling and catching air contaminants.

According to the Ukrainian labour legislation employees involved in high-risk works receive additional benefits which are provided by the Company.

In line with engineering and technical measures to minimize the negative impact of hazards in the workplace, Astarta provides employees with high-quality personal protective equipment for respiratory, visual, hearing, and skin protection.

> ***The Company is continuing to implement a 5S system for efficient, effective, and safe work performance in sugar production, soybean processing, agriculture and biogas production. This system aims organising the workspaces in a way that will provide maximum safety and productivity for an employee.***

Work-related injuries data	2019	2020	2021	2022
Fatal Injury Frequency Rate (FIFR)	0.1	0.1	–	0.1
Lost Time Injury Frequency Rate (LTIFR)	0.4	0.2	0.5	0.9
Lost Day Rate (LDR)	55.3	6.0	18.3	33.5

The Company makes every effort to ensure the safety of contractors performing work. The contractors must provide Astarta with work permits, licenses, and other health and safety-specific documents. The Company decides to engage a contractor based on an assessment. The Company allows to perform work only for those contractors that meets the established requirements. Its occupational health and safety specialists carry out supervision during the contractors' performance. They monitor compliance with laws and other regulations on labour protection and conduct health and safety induction training course.

Astarta constantly conducts training and knowledge testing on health and safety issues under the internal Standard "Education and Expertise". In 2022 4,610 participants (one employee can participate in several trainings) took part in the training on health and safety including following key topics: fire safety, electrical safety, road traffic safety, hazardous chemicals, incidents investigation, first aid, high-risk works, and high-risk equipment operation.

There are small medical surgeries at some production facilities where employees can get first medical aid and some basic health care procedures.

All Astarta's key production assets such as sugar plants, soybean crusher and grain silos confirmed compliance with requirements of ISO 45001 – the Occupational health and safety management systems.

Training

Management approach to training is based on the internal documents that define common rules and requirements.

Each employee has a right to improve professional skills via training and can apply for such under internal procedures.

The Company identifies the following types and forms of training: long-term and short-term, external and internal.

- *Long-term training is provided on the basis of higher education institutions to obtain tertiary qualification or in lyceums to master a new trade;*
- *Short-term training is targeted at an in-depth study of a particular area of activity, including modernization, reorganisation or restructuring of business units, significant changes in the regulatory framework governing its activities, training on best available technologies;*

- *Internal training is conducted by in-house personnel;*
- *External training is conducted by third-party service providers.*

Development of corporate skills is carried out through trainings, master classes, seminars, conferences, forums, business games, etc.

After the training the Human Resources Department conducts appraisal of the level of acquired knowledge and skills as well as overall quality of the training.

Astarta focuses on the professional development of its employees and implements various projects that help to reveal and realize their potential. To this end, the Company implemented different programmes such as: mentoring targeted at building an effective team, programme for development of internal mentors, "school of internal experts".

In 2022 Astarta launched another course for internal trainers. 30 employees completed the course "training for trainers" focused on the implementation of Operational Improvement System of Astarta tool — 5S. The focus of such training was to implement lean production approaches, creating and maintaining order at production sites and managing stocks at the Company's sugar plants and agricultural subsidiaries. As a result, more than 250 employees were trained by internal trainers.

Considering the positive result and feedback on the programme the Company launched similar course for local employees in the production assets

Annual weighted average number of training hours per employee in 2022 was 6.9 hours, including:

1. By level:

- *managers — 6.0 hours;*
- *specialists — 3.8 hours;*
- *workers — 10.3 hours.*

2. By gender:

- *male — 8.2 hours;*
- *female — 4.8 hours.*

Training included educational courses in the Head Office, subsidiaries, and dedicated educational centres. Employees also took part in specialised conferences, forums, trade shows. Key training topics included:

- *professional training (training for the new employees, additional training in the employee's specialty);*
- *development of personal and managerial skills;*
- *occupational health and safety, fire safety etc;*
- *environmental issues and product quality.*

Total spending on training was EUR 0.1m in 2022 vs EUR 0.2m in 2021

Personnel Assessment

The Company implemented two types of personnel assessment: annual performance assessment and professional assessment.

Annual performance assessment

Personnel performance assessment is a set of the appraisal activities which involve all employees of the Head Office as well as directors and managers of the subsidiaries. The assessment includes four key components:

- *Performance assessment (KPI)*
- *Skill level assessment*
- *Development plans*
- *Identification of objectives for the next year*

The assessment is based on annual appraisal of the employee according to previously set KPIs and professional skills development. Such assessment is a good stimulus for the employees. It allows to focus on efficiency improvement and development of personal professional skills to meet the required targets.

The process of assessment consists of four stages:

1. ***Self-assessment*** — employees assess individual results for the year according to previously set KPIs by themselves, prepare plan for the next year and create professional development plan.
2. ***Assessment interviews*** — managers conduct interview with their team members to assess results for the year, level of professional development, adjust the plans for the following years.
3. ***Assessment approval*** — the results of the assessment are approved by the top managers.
4. ***Assessment finalisation*** — the assessment results and plans for the next year are incorporated into corresponding documents aligned with the company's values and targets.

610 employees from head and regional offices (10% from the average annual number) are to take part in the 2022 annual assessment including:

1. By level:

- *managers – 347 employees;*
- *specialists – 263 employees;*

2. By gender:

- *male – 344 employees;*
- *female – 266 employees.*

Professional assessment

The Company has implemented a system of annual professional assessment of key employees. The purpose of the system is to identify and develop potential of the employees. The assessment involves key employees with the highest impact on the business such as employees of the Head Office, directors, and managers of the subsidiaries.

The process of assessment consists of four stages:

1 ***Testing*** – testing to assess professional knowledge. It consists of different tests such as case study and analytical skills test.

2 ***Assessment interviews*** – a dedicated qualification commission conducts interviews to assess the level of professional expertise in performing employee duty.

3 ***Assessment analysis*** – the sum up of the results and its communication to the head of the function.

4 ***Action plan*** – based on the results of the assessment a dedicated action plan is developed. The action plan includes management decisions (i.e. transferring employees between positions) and professional development courses.

During 2022, 622 (10% from the average annual number) employees involved in crop production, engineering, logistics, sugar production, land management, occupational safety and ecology were assessed including:

3. By level:

- *managers – 58 employees or 9% of the average number of managers;*
- *specialists – 286 employees or 20% of the average number of specialists;*
- *workers – 278 employees or 6% of the average of workers.*

4. By gender:

- *male – 468 employees or 10% of the total number of male employees;*
- *female – 154 employees or 7% of the total number of female employees.*

Diversity and Equal Opportunities

Astarta treats people with dignity and respect, provides necessary conditions and creates working environment where human rights are respected. Astarta is not involved in any activities that directly or indirectly violate human rights. The Company does not tolerate contempt or inappropriate destructive behaviour, revenge, unfair treatment.

Astarta values diversity of its employees and is committed to providing equal opportunities and does not accept any form of discrimination or harassment. The Company does the utmost to ensure that its workplaces are free from discrimination or harassment on the grounds of race, gender, skin colour, national, ethnic or social origin, religion, age, special needs, sexual orientation, political views or any other status protected by law and internal policies.

The basis for the selection of candidates for employment, recruitment, employment, training, remuneration and career growth in the Company is qualification, skills and experience.

The Company does not have a formal Diversity Policy. However, in 2007 it has adopted the Rules of the Board of Directors, which include the Profile of the Board of Directors, Resignation schedule for the members of the Board and other documents regulating the Board's composition, decision-making process, working mode, allocation of powers and general functioning.

The Board of Directors of Astarta consists only of men. Effective corporate governance is very much dependent on the skills and experience of members of the Board, Executive and Non-Executive Directors as members of the Board are selected only based on qualifications, abilities (including reputation and integrity) but not gender. When there is a vacancy at the Board of Directors, the Company will strive to promote gender diversity by inviting women to join the Board of Directors.

Breakdown of employees by diversity categories:

1. By gender:

- *male – 68%;*
- *female – 32%.*

2. By age:

- *up to 30 y.o. – 12%;*
- *30–50 y.o. – 56%;*
- *over 50 y.o. – 32%.*

Ratio of basic salary and remuneration of women to men	2020	2021	2022
Total, including:	**97%**	**97%**	**101%**
managers	69%	75%	76%
specialists	109%	98%	98%
workers	93%	91%	98%
other employees	76%	82%	82%

Freedom of Association and Collective Bargaining

The Company's approach to the freedom of associations and collective bargaining is based on the national legislation. Astarta's collective agreement clearly states prevention of any direct or indirect limitation of any rights, no direct or indirect privileges related to the membership in trade unions or any other association of people. The agreement also includes guarantees for freedom of association, functioning of primary trade union organisation, civic organisation. In addition, the Company is committed to:

- *during non-working hours to provide space for employees for general meetings (conferences) of employees including necessary equipment, communications, heating, lighting, cleaning, transport, security;*
- *provide the trade union committee an opportunity to visit and inspect workplaces;*

- *provide the trade union committee an opportunity to access relevant documentation, information and explanations concerning the conditions and remuneration, the implementation of collective agreements, compliance with labour legislation and socio-economic rights of workers;*
- *provide an opportunity to directly address the employer and top management of the Company on the issues that are the subject of the collective agreement;*
- *provide an opportunity to inspect the social infrastructure facilities owned by the Company;*
- *provide the opportunity to publish information by employees in agreed upon places;*
- *transfer 0.3 percent of the payroll to the fund of the primary trade union organisation to promote cultural and health-related activities;*
- *abstain from actions that can interfere with work of the primary trade union organisation.*

In 2022 there were no disputes between the Company and the trade unions.

As of the end of 2022 99% of Astarta's employees were part of the collective agreement.

Human Rights

Astarta is guided by an internal Human Rights Policy based on best international practices defined in the Global Declaration of Human Rights and UN Global Compact. The policy is available and promoted at all production facilities of the Company via information boards and HR departments. Top management of the Company is responsible for Policy implementation while the CEO is responsible for controlling the implementation.

Code of Corporate Ethics also defines the basic principles of the Company's culture: openness, tolerance, respect.

Astarta respects human rights and does not discriminate on political, religious, ethnical, gender, sexual or other grounds. The Company provides equal opportunities in employment, professional and personal growth to all employees.

The Company guarantees safety at workplace. There is a Corporate Integrated Management System in place, the mandatory component of which is employee's health and occupational safety. All production facilities were assessed internally for occupational health and safety risks.

The Ukrainian law prohibits the use of child and forced labour. No person under the age of 18 works at the production facilities and there were no cases of forced labour at Astarta. The Company treats these issues as a matter of principle and strictly adheres to the rule of the law.

When making economic decisions, the Company always considers and assesses potential risks to human rights. Potential cases of human rights violations can be reported to the local management team via a dedicated hotline. The procedure for handling complaints and appeals is described in the Stakeholder Engagement Plan.

Astarta performs a regular internal audit to verify compliance with the Human Rights Policy. All of the Companies subsidiaries are covered by the audits. The internal audit confirmed that there were no violations of human rights at the Company's business units in 2022.

The policy is also shared by contractors and subcontractors, who work with the Company. Monitoring of potential use of forced and child labour is also included into the Sustainable Development Questionnaire for suppliers, which is filled out by them and submitted as part of procurement tenders by Astarta.

As a result of full scale russian invasion of Ukraine, many people faced violence and abuse by the russian military. Many Ukrainians were forced to leave their homes and to move to other regions of the country as internally displaced persons (IDP).

In 2022, to help IDP, Astarta launched the project on protection of the rights and interests of Ukrainian citizens during the martial law. The project consisted of dedicated training in 3 regions of Ukraine involving 90 people. The participants obtained information about state guarantees on rights, freedoms and legitimate interests of IDP and local communities acting as a host for IDP under the martial law. The training also included information on actions in case of sexual and physical violence and destroyed or damaged housing.

Certification and Sustainable Products and Services

Astarta aims to run its production in the most efficient way in terms of economic-soundness and sustainability which implies earning profits while minimizing negative environmental impact, conserving natural resources and developing communities as well as ensuring high product quality and safety.

In 2022 the Company's crop growing subsidiary List-Ruchky reconfirmed the status of an organic producer and successfully passed the certification of land and warehouses by the Organic Standard, BioSuisse, Danube Soya, and Europe Soya. Certification allows the Company to sell its organic products to the European Union. In the reporting period Astarta allocated 1.8kha for organic farming and produced more almost 4kt of organic wheat, corn, soybeans and other crops. Astarta also uses some organic fertilisers instead of synthetic. In 2022 organic fertilisers were used on the area of 7kha.

The Company's proprietary IT software AgriChain together with other digital solutions allow improving operational processes and add to the overall efficiency of the business in terms of economic return and sustainability. These solutions include farmland management, field operations, storage, purchase and supply processes, crop monitoring, agrochemical field profile, meteorological data and plant vegetation status. As a result, Astarta improves productivity while reducing use of inputs such as fertilizers, seeds, fuel etc.

The Company continued to follow a set of recommendations on regenerative practices developed in cooperation with Syngenta LLC (Ukraine). To measure the impact from change in farming practices Astarta developed a Baseline report for 2020 and monitors the carbon sequestration results on an annual basis through the Cool Farm Tool.

Astarta plans to scale up different elements of carbon farming, for example reduced tillage, cover crops, nitrification inhibitors, organic fertilisers. In 2022 the Company performed reduced tillage on 106kha and cover crops, nitrification inhibitors, organic fertilisers on 11kha.

Within the regenerative farming framework, the Company also entered into the project with Agreena – a soil carbon platform for farmers aimed at scaling regenerative agriculture practices through finance and technology. The project aims to conduct assessment, monitoring and verification of greenhouse gas emission reductions resulting from change in farming practices on the assigned land area. Generation of Voluntary Carbon Credits for sale is also part of the project design.

In Sugar production and Soybean processing Astarta uses biogas from an inhouse biogas facility to replace natural gas consumption. This biogas facility uses sugar beet pulp, a residue from sugar production, as a primary input. Therefore, use of biogas not only adds to the sustainability aspect to the business but reduces costs amid high energy prices.

One of the key sustainability elements of the Company's business is the quality of its products which correspond to international standards. Astarta's key production assets are certified in accordance with FSSC, ISO 22000, GMP Plus, ISCC and HACCP standards. To ensure high quality and safety of products, the Company constantly controls raw materials and other inputs. The main criteria for quality and safety of raw materials are defined by national and international regulatory and technological documents (TU, DSTU, Council of Europe Directives, etc.), and include GMO content, microbiological indicators, pesticides, radionuclides, among others.

In 2022 Astarta's soybean processing plant received the ISCC EU certification indicating sustainable nature of the products and allowing the Company to attract new clients.

Astarta puts special emphasis on the quality and safety of its milk production. The quality is determined by fat, protein and water content, as well as density and freezing point. Food safety control includes an assessment of antibiotics' use, cow health, the quality and safety of the feed, the sanitary and hygienic requirements and the temperature of the milk cooler tanks.

To strengthen the food safety system, the Company also monitors risks related to malicious spoilage of food products and vulnerabilities to falsified food.

In 2022 there were no cases of non-compliance with regulations on health and safety of products identified.

Completed audits

	ISO 9001	ISO/ FSSC 22000	ISO 14001	ISO 45001	ISO 50001	GMP Plus	ISCC EU/ Plus	Organic certifi-cation
Narkevytsky sugar plant	●	●	●	●	–	–	–	–
Zhdanivsky sugar plant	●	●	●	●	–	–	●	–
Yareskivsky sugar plant	●	●	●	●	●	–	●	–
Globynsky sugar plant	●	●	●	●	●	–	–	–
Novoorzhytsky sugar plant	●	●	●	●	●	–	–	–
Globynsky processing plant	●	●	●	●	●	●	●	–
Viytovetsky grain silo	●	●	●	●	–	–	–	–
Khmilnytsky grain silo	●	●	●	●	–	–	–	–
Krasylivsky grain silo	●	●	●	●	–	–	–	–
Lutovynisky grain silo	●	●	●	●	–	–	–	–
Semenivsky grain silo	●	●	●	●	–	–	–	–
Skorokhodivsky grain silo	●	●	●	●	–	–	–	–
Yareskivsky grain silo	●	●	●	●	–	–	–	–
Agriculture firm named after Dovzhenko	–	–	–	–	–	–	●	–
LLC "Khmilnitske"	–	–	–	–	–	–	●	–
LLC "Lysk-Ruchky"	–	–	–	–	–	–	–	●

Local Communities

Since its foundation, Astarta has been following international standards and norms of corporate social responsibility and sustainable development. Creating positive changes in society is also a challenge for the Company's business as its growth is interconnected with the development of the related communities. Astarta maintains relationships of mutual respect, responsibility and cooperation in all areas where it operates. The Company's partnership with the communities engages workers, promotes environmental protection and maintains sustainable supply chains.

Astarta proactively interacts with local communities through dedicated engagement plans to maximize involvement and create productive partnerships.

At the management level, the responsibility for engagement of local communities is assigned to the Director of HR, while Corporate Partnership and Communications Department is responsible for coordination. In the regions of operations the responsibility for interaction with local communities is assigned to the directors of regional production sites and relevant employees.

Astarta also has a grievance mechanism for handling complaints and appeals received from local communities. Information on the exact procedure is published on the Company's website and displayed on the information stands at production sites.

If there is a new development project/extension or reconstruction of existing facilities Astarta conducts an assessment of potential environmental and socio-economic impact on local communities which is required by national legislation and at request of international development institutions.

On a permanent basis the Company also identifies priority areas for local development and sponsors relevant programmes through a dedicated advisory council.

Key development programmes

My Future in Agro

Astarta started the programme in 2018 to introduce students to modern agriculture and related professions. Currently 26 schools from different Ukrainian regions take part in the programme.

The programme includes training courses which consist of theoretical and practical parts.

The participating schools have dedicated greenhouses, where students grow plants independently, explore application of plant protective agents, perform experiments and write research.

Key results of the programme:

- *1,130 students completed training;*
- *51 students took part in a scientific contest;*
- *48 projects were created.*

IT Education

In 2017 Astarta, in partnership with BrainBasket Foundation and Miratex company, initiated an ambitious educational programme "IT Education in Rural Areas" to promote IT skills to children and adults. The programme has become a unique opportunity for free learning in rural areas. The adult course is designed for people over the age of 40 and is aimed at developing basic IT skills.

The course for children is designed for students aged 9 to 15 years. It is based on visual programming language SCRATCH (developed by the Massachusetts Institute of Technology).

Key results of the programme

- *1,473 students completed training in SCRATCH and ROBOTOTECH;*
- *703 adults completed training on basic IT skills;*
- *400 students took part in IT contests;*
- *55 IT projects were created.*

Course Set for Independence

In 2022 Astarta under the support of German Development Bank DEG (KFW Group) and in partnership with Charitable Foundation "Believe in Yourself", Charitable Foundation "Light of Hope" and Local Economic Development Agency (LEDA) started a programme to support internally displaced persons (IDP). Its goal to provide communities which hosted IDP with food by encouraging local people to create small-scale production.

Key results of the programme:

- *220 participants took part;*
- *six regions of Ukraine;*
- *93 participants developed and submitted business plans;*
- *60 received grants to develop their own production.*

Wings

The project started in 2020 with joint efforts from Pact Ukraine, Light of Hope, Astarta and the Government of Canada. It is directed at women to stimulate their professional development and promote welfare.

Key results of the programme

- *700 women took part;*
- *5 local communities involved;*
- *60 ideas supported.*

The Braves

In 2022 Astarta under the support of Raiffeisen Bank (Ukraine) and in partnership with Charitable Foundation "Believe in Yourself", Charitable Foundation "Light of Hope" started a project to support development of local small-scale business. It aims at expanding existing business and creating the new one related to production of canned food to support IDP.

Key results of the project:

- *66 participants took part;*
- *37 participants developed and submitted business plans;*
- *25 received grants to develop start and expand business.*

BELIEVE IN YOURSELF

Common Help UA
humanitarian project

Common Help UA

In March 2022, Charitable Foundation "Believe in Yourself" and Astarta co-founded a humanitarian project called Common Help UA aiming at helping Ukrainians who suffered from the military aggression. The project involved different Ukrainian and foreign donor partners. As a result, by the end of 2022 more 28kt of humanitarian supplies (food, medicine, personal hygiene products, clothing) were delivered, the estimated monetary value of charitable contributions and humanitarian aid totalled USD18m, over 716k evacuated civilians and 407 social and medical institutions received humanitarian aid.

Task Force on Climate-related Financial Disclosures (TCFD)

Although TCFD recommendations remain voluntary they are recognised as a reliable guidance for reporting of climate-related information and are embedded into the EU legislation.

The statements in this section, which Astarta believes are consistent with disclosure recommendations of TCFD, provides analysis of the risks and opportunities arising from climate change, their impact on the company's business and possible actions to mitigate those risks. Additional information on climate-related issues including disclosure on GHG emissions is also disclosed with this Annual Report.

Governance

The Board of Directors is responsible for overseeing the climate-related issues. With this purpose the Sustainability and Corporate Responsibility (SCR) Committee was established in 2020 and consists of members of the Board. It assists the Board of Directors in fulfilling its responsibility for oversight of relevant sustainability and corporate social responsibility policies, strategy and development projects of the Company.

There is also an Environmental, Social and Governance (ESG) committee at the executive management level which is responsible for implementing sustainability strategy. The ESG committee consists of the key members of executive management including the CFO, heads of upstream and downstream operations and is chaired by the CEO. The committee sets and reviews key ESG performance indicators together with other issues including risks, strategy and implementation of sustainability projects by the Company.

Sustainability issues are also considered by the Investment Committee when reviewing new development projects to identify potential risks, benefits and overall ESG-related impact.

From 2021 the Director for Sustainable Business Development and Investor Relations leads the sustainability function on behalf of the executive management board. The scope of responsibilities covers sustainability strategy, monitoring of implementation of sustainable practices, overseeing compliance with local and international standards and requirements in the sphere of sustainable development, as well as reporting to stakeholders.

The Director for Sustainable Business Development and Investor Relations prepares a dedicated presentation on key sustainability matters including climate-related issues for consideration by the ESG committee and the SCR Committee on a quarterly basis. The Company's Audit Committee also reviews and discusses the Annual Report which, among other topics, includes the sustainability section.

Astarta was assisted by its advisor, EY, under the project Climate Corporate Governance Improvement and Climate Action Plan EY and conducted a comprehensive analysis of current climate corporate governance framework. As a result, several key areas, namely: the board's oversight of climate related risks and responsibilities and management's role in assessing and managing climate-related risks and opportunities were identified as those that can be potentially improved through:

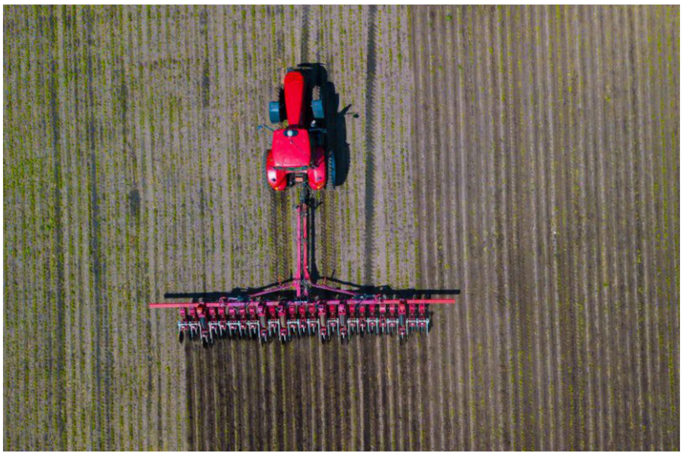
Board oversight of climate related risks and responsibilities

1. *Enhancement of the process by which the Board is informed about climate related issues*
2. *Audit committee to oversee material climate-related risks*
3. *Clearly state the commitment to the climate strategy, climate risk management, performance setting and investment*
4. *Improve the governance mechanism by further integration of climate considerations into risk management, strategy setting/oversight and performance monitoring*
5. *Setting emission and non-emission related targets with further monitoring of progress against these targets*
6. *Implementation of system of climate related KPI and corresponding monetary incentives for the Board*

Management's role in assessing and managing climate-related risks and opportunities

1. *Enhancement of the process by which Management is informed about climate related issues*
2. *Clear definition of climate roles and responsibilities in senior managerial positions and those forming the ESG committee*
3. *Cascade down climate oversight functions from the Board's SCR Committee to the ESG committee of executive management*
4. *Update the current system of KPI and related incentives with KPIs and incentives tied to climate related targets*

In 2023 Astarta plans to review its corporate governance framework to implement the recommendations.



Strategy and risk management

Within the Climate Action Plan Astarta, together with EY, conducted a comprehensive analysis of climate-related risks, opportunities and financial impacts based on TCFD recommendations. The climate-related risks were grouped into two groups, accordingly: physical and transition.

Physical risks and opportunities

According to TCFD physical risks are the risks that emanate from climate change and relate to event-driven (acute) risk such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires) as well as to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise). While a potential positive impact can arise from efforts undertaken to mitigate and adapt to climate change.

Analysis of physical risks and opportunities under the 1.5°C and >3°C temperature scenarios was performed using the Representative Concentration Pathway (RCP) scenarios: Scenario 1 — RCP 1.9 (1.5°C equivalent) and Scenario 2 — RCP 8.5 (> 3°C equivalent).

To estimate the importance of the risks and opportunities for the Company a dedicated scoring matrix of prioritisation of risks and opportunities was developed. The scoring approach considers the following parameters:

- ***Likelihood:*** *indicates the probability of the risk and opportunity materialising over the projection horizon;*

Likelihood	Description
High	Risk/opportunity is highly likely to occur with high frequencies of recurrence
Medium	Risk/opportunity is occasional in nature with moderate frequency of recurrence
Low	Risk/opportunity is less likely to occur with low frequency of recurrence

- ***Impact:*** *indicates the severity and duration of financial /operational impact, should the risk and opportunity materialise.*

Impact	Description
Strongly positive	Opportunity is expected to create high monetary benefits for business/ operations and persist for a long duration
Positive	Opportunity is expected to create moderate monetary
Neutral	Risk/opportunity is expected to have minimal positive/negative impact on business/ operations and persist for medium to short duration
Negative	Risk is expected to have moderate financial impact on business/operations and persist for long to medium duration
Strongly negative	Risk is expected to have high financial impact on business/ operations and persists for a long duration

Based on the level of likelihood and impact a score from 0 (a risk with the low level of likelihood and neutral impact) to -12 (a risk with the high level of likelihood and strongly negative impact) was assigned to each risk identified. A score from 0 (an opportunity with the low level of likelihood and neutral impact) to 12 (an opportunity with the high level of likelihood and strongly positive impact) was assigned to each opportunity identified.

The physical risks analysis covers a projection horizon from 2020 to 2050 and focuses on the most significant (by the size of leased farmland) regions of Astarta`s operations in the Centre and West of Ukraine as well as key business segments of the Company.

Physical risks and opportunities identified and analysed are presented in the tables below.

Material risks

#	Risk	Description	Category	Score P1	Score P2	Financial implication P1	Financial implication P2	Possible adaptation measures
R1	Increase in labour costs due to change in production/ efficiency/ productivity/ hiring arising from extreme heat	As climate change increases the severity and frequency of extreme heat events, workers may be more at risk from being impacted by extreme heat. This may reduce time spent in the farms, impact the health and well-being of vulnerable employees, reduce production, and may result in increased costs to protect workers or decrease in revenue due to production losses	Acute	-6	-6	Below materiality level	Below materiality level	• Improvement and implementation of engineering controls such as reflective or heat-absorbing shielding/ barriers, appropriate air conditioning to manage heat stress and keep the working areas cooler • Enhance labour management practices to manage heat stress such as limiting time in heat, effective rotation of employees, monitoring of labour, increasing the number of workers per task, providing adequate amounts of cool, potable water near the work area, permitting rest periods, etc • Training programs on heat stress for employees
R2	Increase in mean temperature could cause heat stress to farm animals/ cows	Increase in mean temperature could cause heat stress to farm animals/ cows resulting in lower production volumes impacting revenue growth. Therefore, Astarta may have to invest more on animal housing conditions such as ventilation, etc to overcome such conditions which may result in additional costs.	Acute	-6	-6	Annual value of milk production lost up to 1.1%	Annual value of milk production lost up to 1.5%	• Appropriate shade and improvement of ventilation to protect cattle from heat stress through creation of integrated shelter beds and effective barn ventilation • Cooling with water to help the cattle manage their body heat through the use of sprinklers & misters • Hydration through water intake and feeding habits to regulate body temperature during heat stress

P1 — 1.5°C equivalent pathway (Scenario 1: RCP 1.9); P2 — > 3°C equivalent pathway (Scenario 2: RCP 8.5)

Material risks

#	Risk	Description	Category	Score P1	Score P2	Financial implication P1	Financial implication P2	Possible adaptation measures
R3	Increase in severity of acute weather events like drought may result in supply chain disruptions leading to decline in production volumes	Increase in severity of acute weather events like drought may potentially impact the availability of water which can decrease yields especially of water intense crops such as wheat and soy resulting in supply chain disruptions leading to lower annual production volumes	Acute	-2	-8	Yields decrease can result in supply chain disruptions leading to lower annual production volumes impacting revenue		• Diversification of supplier base to spread the risks and reduce their impact • Strengthening of risk management over the supply chain • Promotion of agroforestry practices among framers in the supply chain to increase the moisture absorptive capacity of soil and reduce evapotranspiration, alongside reducing soil temperature for crops planted underneath and decrease runoff velocity and soil erosion from heavy rainfall • Promotion of use of climate smart technologies among framers in the supply chain to increase yields, maximize field productivity, control the influence of weather on crops, detect problems on fields, and support the fertility of the soil • Help with crop selection and promotion of scientific based crop rotation among the farmers in the supply chain in drought prone or water scarce regions • Promotion of enhancement of precision and regenerative farming practices such as reduced tillage or no-tillage, leaving as much residue on the surface as possible, building soil organic matter with manures or composts etc.
R4	Increase in severity of acute weather events like drought may lead to decline in harvest volumes	Increase in severity of acute weather events like drought may potentially decrease yields resulting in lower annual production volumes	Acute	-2	-8	Yields decrease can result in lower annual production volumes impacting revenue		• Implementation of agroforestry practices to increase the moisture absorptive capacity of soil and reduce evapotranspiration, alongside reducing soil temperature for crops planted underneath and decrease runoff velocity and soil erosion from heavy rainfall • Geographical diversification to northern regions of Ukraine especially the north-western region may significantly increase the yields of water intensive crops • Higher use of climate smart technologies to increase yields, maximize field productivity, control the influence of weather on crops, detect problems on fields, and support the fertility of the soil • Crop selection in favour of drought resistant in drought prone or water scarce regions • Irrigation and improvement of its efficiency • Wider use of precision and regenerative farming practices such as differentiated fertilizers and seeds applications, reduced tillage or no-tillage, leaving as much residue on the surface as possible, building soil organic matter with manures or composts etc.

Other non-material risks

#	Risk	Description	Category	Score P1	Score P2
R5	Decline in corn yields resulting in lower harvest	Increase in mean temperatures and seasonal precipitation changes coupled with increased CO_2 concentration would result in decrease in corn yields impacting revenues from corn sales	Chronic	0	-2
R6	Decline in sugar beet yields impacting sugar production	Increase in mean temperatures and seasonal precipitation changes coupled with increased CO_2 concentration would result in decrease in sugar beet yields leading to lower sugar production and revenues	Chronic	0	-2
R7	Increase in severity of acute weather events such as heatwaves, river floods, wild fires etc may lead to decline in production volumes	Increase in severity of acute weather events such as heatwaves, river floods, wildfires etc may potentially destroy crops resulting in lower production volumes impacting revenue	Acute	0	0
R8	Loss of physical assets as a result of acute weather events	Increase in severity of acute weather events may result in loss of physical assets such as agricultural machinery, storage facilities, etc which may result in production losses and additional maintenance and replacement costs for the damaged assets	Acute	0	0
R9	Increase in severity of rainfall, floods and changes in wind speed etc may lead to soil erosion and subsequent decline in production volumes	Increase in severity of rainfall, floods and changes in wind speed etc may cause soil erosion potentially resulting in lower production volumes and revenue	Acute	0	0
R10	Decline in corn yields leading to lower output by suppliers and Company's sales	Corn yields across Ukraine are expected to decrease due to increase in mean temperatures and seasonal precipitation changes coupled with increased CO_2 concentration leading to lower output by suppliers and Company's sales	Chronic	0	-2
R11	Decline in sugar beet yields leading to lower output by suppliers and sugar production	Sugar beet yields across Ukraine are expected to decrease due to increase in mean temperatures and seasonal precipitation changes coupled with increased CO_2 concentration leading to lower output by suppliers and sugar production	Chronic	0	-2
R12	Increase in severity of acute weather events may result in supply chain disruptions leading to decline in production volumes	Increase in severity of acute weather events may potentially destroy crops resulting in supply chain disruptions leading to lower production	Acute	0	0
R13	Loss of physical assets as a result of acute weather events leading to supply chain disruptions	Increase in severity of acute weather events may result in supply chain disruptions due to loss of physical assets such as agricultural machinery, storage facilities, etc which may impact revenues	Acute	0	0
R14	Increase in insurance premiums as a result of acute weather events	Increase in severity of acute weather events may result in crop damage, loss of physical assets potentially increasing the frequency of average insurance claims, therefore increasing the insurance premium rates during renewal cycles	Acute	0	0

P1 — 1.5°C equivalent pathway (Scenario 1: RCP 1.9);
P2 — > 3°C equivalent pathway (Scenario 2: RCP 8.5)

Opportunities

#	Opportunity	Description	Category	Score P1	Score P2	Financial implication P1	Financial implication P2
01	Increase in soy yields leading to higher soybean processing volumes	Soy yields across Ukraine are expected at higher mean temperatures and annual precipitation levels, leading to higher soybean processing volumes i and revenue	Resilience	12	6	Below materiality level	Increase in revenues up to EUR 0.9m
02	Increase in wheat yields leading to higher output	Higher mean temperatures, precipitation levels and CO_2 concentration, lower number of frost nights in Ukraine will result in higher wheat yields and, along with bigger share of winter crops in the crop rotation cycle, may lead to higher revenue	Resilience	12	12	Increase in revenues up to EUR 1.5m	Increase in revenues up to EUR 2.1m
03	Increase in soy yields leading to higher output by suppliers and soybean processing volumes	Soy yields across Ukraine are expected to increase at higher mean temperatures and annual precipitation levels, leading to higher output by suppliers and soybean processing volumes	Resilience	12	6	Below materiality level	Increase in revenues up to EUR 0.6m
04	Increase in wheat yields leading to higher output by suppliers and sales volume	Increase in mean temperatures, precipitation levels and CO_2 concentration, lower number of frost nights in Ukraine will result in higher wheat yields and, along with bigger share of winter crops may lead to higher output by suppliers and sales volume	Resilience	12	12	Below materiality level	Below materiality level

P1 — 1.5°C equivalent pathway (Scenario 1: RCP 1.9);
P2 — > 3°C equivalent pathway (Scenario 2: RCP 8.5)

Physical risks and opportunities summary scoring matrix

Pathway 1		Likelihood		
		Low	**Medium**	**High**
IMPACT	Strongly Positive	●	●	● 01; 02; 03; 04
	Positive	●	●	●
	Neutral	● R5, R6, R7, R8, R9, R10, R11, R12, R13, R14	●	●
	Negative	● R3, R4	●	● R1, R2
	Strongly Negative	●	●	●

Pathway 2		Likelihood		
		Low	**Medium**	**High**
IMPACT	Strongly Positive	●	●	● 02, 04
	Positive	●	●	● 01; 03
	Neutral	● R7, R8, R9, R12, R13, R14	●	●
	Negative	● R5, R6, R10, R11	●	● R1, R2
	Strongly Negative	●	● R3, R4	●

The matrix ranks prioritization of the physical risks and opportunities based on the level of likelihood and impact under two pathways: 1.5°C equivalent pathway (Scenario RCP 1.9) and >3°C equivalent pathway (Scenario 2 — RCP 8.5). Most of the physical risks are concentrated in the middle left area — risks with low level of likelihood and neutral or negative impact which suggest a low level of overall influence on the Company. At the same time risks in the bottom right area are the risks related to acute events such as drought and heat wave resulting in episodic decrease in production efficiency, crops and milk yields. Such risks require particular attention and implementation of measures by the Company's management to reduce possible impact. The potential adaptation measures for material risks R1–R4 are indicated in the tables on the pages 80–81.

At the same time both pathways lead to opportunities arising from expected gradual increase in mean temperature, annual precipitation levels and decrease in the number of frost nights in Ukraine resulting in higher yields in the long run.

Transition risks and opportunities

According to TCFD transition risks are the risks that show non-physical potential impacts of climate change on the organization and can be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

Analysis of transitional risks and opportunities was performed based on the scenarios developed by International Energy Agency (IEA); Network for Greening the Financial System (NGFS); Principles for Responsible Investment network (PRI). The following scenarios were chosen to identify and analyse risks and opportunities under the 1.5°C and >3°C pathways:

- **Scenarios under 1.5°C pathway:** *IEA Net Zero Emissions by 2050, NGFS Net Zero 2050, PRI IPR 1.5°C Required Policy Scenario, which mostly correspond to each other.*
- **Scenarios under >3°C pathway:** *IEA Stated Policies, NGFS Current Policies Scenario, which mostly correspond to each other.*

Key assumption under chosen scenarios

Scenarios	Key assumptions
Scenarios under 1.5°C pathway	
IEA Net Zero Emissions by 2050	• significant strengthening of climate and energy policy requirements; • the rapid growth of the share of non-fossil fuel energy sources; • long-term development of wind and solar energy; • considerable growth of biofuel production and direct air capture; • launching and further development of hydrogen production; • substantial growth of electricity consumption and decrease of heat consumption; • almost all heavy-duty trucks sold in 2050 will be partially or fully electric; • carbon price will grow dramatically and in 2050 reach 200 USD per t CO_2; • investment in clean energy will be extremely high since 2030.
NGFS Net Zero 2050	• Global agricultural demand growth on back of increase in world population will lead to agricultural output growth by 94% to 10.9 bt in 2050 compared to 2020; • The volume of CO_2 emissions from the Agriculture, Forestry and Other Land Use (AFOLU) sector is expected to decrease 7-fold to 726mt CO_2 in 2050 compared to 2020; • Gradual increase in the price of agricultural products in the short and long-term; • Long-term interest rates are expected to increase by 2030 and go down from 2030 to 2050; • In Ukraine, carbon tax is expected to grow up to USD79 per t CO_2 by 2025 (from less than USD1 per t currently), by 2030 — up to USD109 per t CO_2 and by 2050 — up to USD455 per t CO_2; • The price for electricity in Ukraine is expected to increase sharply by 180% to 35 real 2010 US Dollars per gigajoule (USD2010/GJ) in 2030 compared to 2020 and gradually go down by 35% to 23 USD2010/GJ in 2050 compared to 2030; • The price for gas and liquid fuel in Ukraine is expected to gradually grow at CAGR of 6% and 4% correspondingly; • Development of fossil Carbon Capture and Storage (CCS) and Bioenergy Carbon Capture and Storage (BECCS) technologies for use after 2025.

Scenarios	Key assumptions
PRI IPR 1.5°C Required Policy	• A rapid end to deforestation across the entire globe, ideally by 2025 and before 2030. If not, the energy system has to absorb greater reductions, potentially through BECC; • Unabated coal fully decommissioned in most advanced economies including China by 2035; • Phase out new fossil cars in almost all markets by 2040 and transition to 100% clean power globally by 2045; • Strict political containment of emissions and full transition to clean energy sources; • Highly interventionist regulation, approval of cellular agriculture globally; • Development of the alternative meat market and cellular agriculture; • Achieving negative CO_2 emissions from the land use sector in 2043.
Scenarios under >3°C pathways	
IEA Stated Policies	• Smooth growth of the share of renewable energy sources in the world energy supply with a gradual decline in the use of coal; • Growth of electricity consumption; • Development of biofuel production.
NGFS Current Policies Scenario	• Global agricultural demand growth on back of increasing world population leading to agricultural output growth of 47% by 2050; • Gradual reduction of CO_2 emissions from the AFOLU sector until 2035 (by 29%) compared to 2020 and growth in the subsequent period by 11% in 2050 compared to 2035; • Declining prices for agricultural products; • In Ukraine carbon tax is expected to remain almost unchanged by 2035 with increase by 2050 up to USD2.65 per t CO_2; • The price for electricity in Ukraine is expected to increase sharply by 250% to 23 USD2010/GJ in 2035 compared with 2020 and then gradually go down by 10% to 20 USD2010/GJ in 2050 compared to 2035; • The price for gas and liquid fuel in Ukraine is expected to increase gradually at CAGR of 3% and 2% correspondingly.

Transition risks and opportunities analysis was conducted using similar approach to those of physical risks and opportunities scoring that enables prioritisation of risks and opportunities. The scoring matrix considers the following parameters:

- **Likelihood:** indicates the probability of the risk and opportunity materialising over the projection horizon;

Likelihood	Description
High	Risk / opportunity is highly likely to occur with high frequencies of recurrence
Medium	Risk / opportunity is occasional in nature with moderate frequency of recurrence
Low	Risk/ opportunity is less likely to occur with low frequency of recurrence

- **Impact:** indicates the severity and duration of financial / operational impact, should the risk and opportunity materialise

Impact	Description
Strongly positive	Opportunity is expected to create high monetary benefits for business/ operations and persist for a long duration
Positive	Opportunity is expected to create moderate monetary benefits for business/ operations and persist for long to medium duration
Neutral	Risk/opportunity is expected to have minimal positive/ negative impact on business/ operations and persist for medium to low duration
Negative	Risk is expected to have moderate financial impact on business/operations and persist for long to medium duration
Strongly negative	Risk is expected to have high financial impact on business/ operations and persist for a long duration

Based on the level of likelihood and impact a score from 0 (a risk with the low level of likelihood and neutral impact) to −12 (a risk with the high level of likelihood and strongly negative impact) was assigned to each risk identified. A score from 0 (an opportunity with the low level of likelihood and/or neutral impact) to 12 (an opportunity with the high level of likelihood and strongly positive impact) was assigned to each opportunity identified.

The transition risks analysis covers short-term (2022–2025), medium-term (2025–2030) and long-term (2030–2050).

Key transition risks and opportunities identified and analysed

	Risk	Description	Time period	Category	Score		Financial implication		Possible adaptation measures
					P1	P2	P1	P2	
R1	**Carbon tax**	As part of environmental tax in Ukraine the company is charged for emissions from stationary GHG sources. Increasing carbon tax rates will lead to a significant increase in Astarta's costs	Short- and long-term	Policy and legal	-12	-4	Increased costs ≈ USD5.2m annually	Below materiality level	Investments in low-carbon technologies

	Risk	Description	Time period	Category	Score P1	Score P2	Financial implication P1	Financial implication P2	Possible adaptation measures
R2	**Requirements of the Emissions Trading System and Carbon Border Adjustment Mechanism**	Introduction of emissions trading system in Ukraine under which the company will have to receive emission allowances or application of EU import-related requirements for Ukrainian exporters into the EU such as Carbon Border Adjustment Mechanism can lead to higher costs	Short- and medium-term	Policy and legal	-12	-4	Increased costs ≈ USD10.9m annually	Below materiality level	Investments in low-carbon technologies
R3	**Loss of some suppliers over their significant carbon footprint**	Growing climatic requirements can lead to the need for identifying and cooperating with greener suppliers, i.e. with lower carbon footprint	Short-term	Market	-2	n/a	Products from new suppliers with a smaller carbon footprint could cost more, which would negatively affect production costs Loss of some raw material suppliers could affect production volumes and productivity, which would have a negative impact on revenue		Close cooperation with existing suppliers on climate-related issues
R4	**Increase in energy prices**	Strengthening of climate regulation can result in higher energy prices, especially for fossil fuels, leading to increased production costs	Short-term	Market	-12	-8	Increased costs ≈ USD209m annually	MIncreased costs ≈ USD52m annually	Investments in bioenergy projects and energy efficiency technologies to reduce energy intensity
R5	**Increase in interest rates**	Increased tax rates on GHG emissions and other requirements for business can lead to significant increase product prices. Increase in the demand for capital due to the need to make significant capital investments. All of this will lead to an increase in policy and bank interest rates	Short-term	Market	-6	n/a	Below materiality level	n/a	n/a

	Risk	Description	Time period	Category	Score P1	Score P2	Financial implication P1	Financial implication P2	Possible adaptation measures
R6	**Increased stakeholders' concerns or negative stakeholders' feedback**	Failure to comply with new national and European standards on climate or delay in providing climate-related information could lead increased stakeholders' concerns or negative stakeholders' feedback	Short- and medium-term	Reputation	-4	-2	Increased concerns of shareholders, landowners, creditors, employees may affect the cost of land leases and capital		Increased focus on compliance with all applicable national and European requirements on climate-related issues
R7	**Mandatory shifting of energy use towards lower emissions sources**	Astarta may be forced to change energy suppliers or ensure own production of clean energy due to regulatory requirements	Medium- and long-term	Policy and legal	-12	-4	Total capital investments ≈ USD129m	Total capital investments: ≈ USD 64m	Timely investments into lower emission energy sources
R8	**Mandatory adoption of energy-efficiency solutions**	Mandatory adoption of energy-efficiency solutions can require replacement of outdated equipment and implementation of energy efficient measures leading to additional investments and costs	Medium-term	Policy and legal	-6	n/a	Not estimated	n/a	Timely investments into energy-efficiency solutions
R9	**Costs to urgent transition to lower emissions technology**		Medium- and long-term	Technology	-8	-2			
R10	**Implementation of CCS technologies**	The ambitious emission reduction targets include implementation not only emission reduction technologies, but also carbon capture storage technologies leading to additional capital investments	Medium-term	Technology	-4	n/a	Increased costs ≈ USD22m annually	n/a	Monitoring of CO_2 capture technologies
R11	**Increased cost of raw materials**	Tightening requirements for the selection of suppliers, climate regulation and growing carbon tax can result in higher prices for key inputs and, consequently, to higher production costs	Medium-term	Market	-6	n/a	Increased costs: ≈ USD3.6m annually	n/a	n/a

	Risk	Description	Time period	Category	Score P1	Score P2	Financial implication P1	Financial implication P2	Possible adaptation measures
R12	**Switch to electric heavy trucks**	New policies can be adopted to support low-emission solutions for transport including electric agricultural machinery. There might be restrictions on use of heavy fossil fuel-run trucks in the future. Vehicle replacement may require additional capital expenditures.	Long-term	Policy and legal	-4	n/a	Increased costs: ≈ USD0.7m annually	n/a	n/a
R13	**Shifts in consumer preferences to more low carbon products**	Increased customers attention to carbon footprint of products, growing awareness of the impact of agriculture on climate change, rising obesity and health issues can change consumer behaviour and preferences.	Short- and long-term	Market	0	-4	Additional investment to reduce carbon footprint can affect cost of production. Decrease in sales of traditional products can lead to lower revenues		Investments into low carbon technologies; Further expansion of regenerative farming practices
R14	**Mandates on regulation of water resources management (due to physical climate risks)**	New rules and requirements for water use affect the cost of water supply and drainage. Restrictions may also put in force the reduction of water consumption volumes for business. New technologies can also be implemented to reduce water consumption which may be accompanied by significant capital investment.	Long-term	Policy and legal	n/a	-4	n/a		n/a

P1 – Pathway 1: 1.5°C equivalent;
P2 – Pathway 2: >3°C equivalent

Key transition risks and opportunities identified and analysed

	Opportunity	Description	Time period	Category	Score S1	Score S2	Financial implication S1	Financial implication S2
01	**The emergence of new low-carbon technologies and solutions**	Astarta can benefit from the implementation of new technologies to improve its production process	Short-term	Resilience	6	n/a	n/a	n/a
02	**Development of low-carbon/ organic production**	Low-carbon and organic production can create new markets and customers	Medium-term	Markets	12	4	n/a	n/a
03	**Improving production efficiency**	Low-carbon technologies can lead not only to reduced emissions but higher efficiency via reducing resources and energy consumption per unit of produced product	Medium-term	Resource Efficiency	4	n/a	Reduced operating costs (e.g., through efficiency gains and cost reductions)	
04	**Increasing scale biomass processing (incl. biogas) to reduce energy costs**	Scaling up existing and implementation of new carbon neutral projects	Medium-term	Resource Efficiency	12	8	Average savings on the natural gas up to ≈ USD27m annually	Average savings on the natural gas up to ≈ USD14m annually
05	**Participation in the voluntary carbon credit markets**	Measures taken to reduce GHG emissions can create possibility to participate in voluntary carbon credit markets and sell carbon credits	Medium- and long-term	Products/ service Markets	4	2	Below materiality level	Below materiality level
06	**Strengthening competitiveness in the domestic and global sugar markets**	Expected reputational benefits from meeting the new requirements within the sustainability pathway	Long-term	Markets	4	n/a	n/a	n/a

Transition risks and opportunities summary scoring matrix

Pathway 1		Likelihood		
		Low	Medium	High
IMPACT	Strongly Positive	●	●	● 02, 04
	Positive	●	● 03, 05, 06	● 01
	Neutral	●	● R13	● 06
	Negative	● R3	● R6, R12	● R5, R8, R11
	Strongly Negative	● R10	● R9	● R1, R2, R4, R7

Pathway 2		Likelihood		
		Low	Medium	High
IMPACT	Strongly Positive	●	● 04	●
	Positive	● 05	● 02	●
	Neutral	●	●	●
	Negative	● R9, R6	● R1, R2, R7, R13, R14	●
	Strongly Negative	●	● R4	●

This Matrix illustrates the prioritization where each item is assessed by value. The most critical risks are located in the lower right red corner and the most beneficial opportunities – in the upper right green one. Middle yellow zone comprises the lower impact risks and opportunities.

1.5°C pathway

The 1.5°C pathway, assumes implementation of strict climate policy and legislative requirements, technology, and innovation, leading to significant risks and opportunities. Several risks are assessed to have a neutral impact despite medium to high likelihood. The remaining risks are expected to have negative and strongly negative impact with medium to high likelihood, to which the Company needs to pay special attention. Six out of eight transition climate opportunities are assessed to have a positive and strongly positive impact on Astarta, and two of them – neutral. The likelihood of all opportunities vary from medium to high. Opportunities with the highest impact and likelihood can help improve business processes, find new consumers and markets and, eventually lead to a positive effect on operational activities and/or profitability.

>3°C pathway

Scenarios within this pathway consider all existing and announced policy and legislative changes related to climate change as of 2022. There are no additional regulatory requirements for this scenario. However, an increase in the average temperature globally is projected at >3°C. This will bring significant physical climate risks. Accordingly, transition climate risks will be significantly lower compared to the 1.5°C scenario.

The impact of ten out of eleven transition climate risks on Astarta have mainly negative impact with likelihood from low to high which requires special attention from the management of the Company. A tangible positive impact is observed in three out of five opportunities with low and medium likelihood. The rest of the opportunities suggest neutral impact.

Climate-related risks identification and assessment is part of the general approach to principal risk management. For more information on risk management please refer to the Risk Management section of this report.

EU Taxonomy Disclosure

According to the EU Taxonomy regulation an undertaking which is under obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU shall include in its annual report information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable. The report needs to single out the proportion of business activities that are considered as eligible and aligned with the Taxonomy in their turnover, capital expenditure and operational expenditure.

To identify eligible and aligned activities Astarta conducted screening of its activities with respect to their eligibility and alignment with the Taxonomy. As a result, the Company has not identified any activities that meet the scope of the Taxonomy.

Therefore, 100% of the Company's revenues (EUR510m), capital expenditures (EUR17m) and operational expenditure (EUR4.4m) were derived from non-eligible activities. As a result, the Company has no activities aligned with the Taxonomy.

For this disclosure:

- *Total revenues – revenues from external customers (Note 14 to the Consolidated Financial Statements);*
- *Capital expenditure – additions to tangible and intangible assets considered before depreciation, amortisation and re-measurements, including those resulting from revaluations, impairments, excluding fair value changes, and additions to tangible and intangible assets resulting from business combinations (Note 21 to the Consolidated Financial Statements);*
- *Operational expenditure – R&D costs, building renovation costs, short term leases, maintenance and repair costs, all other direct costs necessary to operate the asset (Notes 15, 16, 17, 18 to the Consolidated Financial Statements).*

At the same time Astarta has activities which it believes to be environmentally sustainable. Among these activities are:

1. Anaerobic digestion of organic material with the resulting production of biogas. The Company operates a biogas facility which uses sugar beet pulp, a by-product of sugar beet processing, for production of biogas. The biogas is supplied to other production subsidiaries of the Company. Therefore, the revenues from this supply are recognised as intercompany revenues;

2. Organic farming. The organic farming methods utilised by Astarta improve soil health and contribute to removal of CO_2 from the atmosphere. One of the Company's subsidiaries obtained the status of an organic producer and uses 1.8kha of farmland for its operations. In 2022 revenues from sale of organic produce to external customers were EUR2.1m.

Board of Directors of ASTARTA HOLDING PLC

21 April 2023

Nicosia, Cyprus

Mr. V. Ivanchyk	*signed*
Mr. H.A. Dahl	*signed*
Mr. V. Gladky	*signed*
Mr. M. Markevych	*signed*
Mr. G. Mettetal	*signed*
Mr. S.S. Perikleous	*signed*

CORPORATE GOVERNANCE REPORT

1. GENERAL

ASTARTA HOLDING PLC (hereinafter referred to as "Astarta" or "Company") was incorporated as a public limited liability company under Dutch law on 9 June 2006 under the name Astarta Holding N.V.

In reference to the Company's Current Report No 08/2022 dated 6 April 2022 on 16 September 2022 the Company has performed a cross-border migration to the Republic of Cyprus. The Migration took place without the Company being dissolved or ceasing to exist and without its reincorporation. Consequently, the shares in the Company were not replaced by new shares and remain listed on the Warsaw Stock Exchange and registered in the securities deposit under the same ISIN code. The voting rights and rights to profit, as well as other distributions are not affected by the Migration. Furthermore, the Migration did not affect the legal title to the Company's assets owned thereby prior to the Migration nor did it affect the Company's liability for obligations assumed prior to the Migration.

The Company is registered in the Department of Registrar of Companies and Intellectual Property of the Ministry of Energy, Commerce, and Industry of the Republic of Cyprus under number HE 438414.

Astarta's statutory seat is in the Republic of Cyprus. The Company's registration address is Lampousas 1, 1095, Nicosia, Cyprus.

The Memorandum and Articles of Association was executed on 18 October 2022.

Astarta's share capital is divided in ordinary shares with a par value of one cent (EUR0.01) each, all of the same class and kind; there are no shares issued with special rights or privileges attached to them. There are no restrictions imposed by the Company to transfer shares or certificates.

Astarta is pleased to present the corporate governance report of the Company for the 2022 financial year.

2. CORPORATE STRUCTURE

ASTARTA HOLDING PLC
(Cyprus)

↓

Ancor Investments Limited
(Cyprus)

↓

LLC Film "Astarta-Kyiv"
(Ukraine)

↓

Ukrainian legal entities

3. BOARD OF DIRECTORS

A) Appointment and composition of the Board of Directors

The Company has a one-tier system of management that means that managing and supervisory duties are joined in the Board of Directors. Appointment and/or dismissal and/or suspension of the members of the Board of Directors is the prerogative power of the General Meeting of Shareholders. The General Meeting of Shareholders is authorized to determine the number of Directors.

The Board of Directors of the Company consists of six members: three Executive Directors and three Non-Executive Directors.

Executive Directors perform management duties, and they are responsible for operational activity of the Company when the Non-Executive Directors have the supervisory obligations and shall bring specific expertise, constructive challenge on activity of Executive Directors and strategic guidance. Astarta benefits from the broad range of skills and experience that the Non-Executive Directors provide from different businesses and fields.

Besides that, two Non-Executive Directors – Mr. Dahl and Mr. Mettetal, are independent from the Company, shareholders of the Company and the other Directors within the meaning of Annex II of the European Commission Recommendation No. 2005/162/WE of 15 February 2005.

Astarta promotes a balanced composition of the Board. The Company makes every effort for Board members to be selected exclusively based on their qualification and abilities (including reputation and integrity), regardless of age, gender, or any other personal characteristics. Currently Astarta has a one-tier Board consisting of male members only. When the Company has a vacancy at the Board, it will endeavor to engage female professionals to join the Board to promote gender diversity.

The Company may, from time to time by ordinary resolution, increase or reduce the number of directors. Subject to the Company's Memorandum and Articles of Association no non-executive director may continue to be appointed on the Board of the Company for a period longer than 12 years. There is no limitation on the period for which executive directors may be on the Board of directors.

The composition, duties and other issues of the Board of Directors of the Company are regulated by the Memorandum and Articles of Association of the Company that are publicly available on the Company's website and Rules of the Board of Directors that are currently in the process of adaptation in accordance with the laws of Cyprus after the migration. The Rules of the Board of Directors will be applied and interpreted with reference to the Cyprus Corporate Governance Code and the WSE Corporate Governance Rules and will be presented on the Company's website.

The Board of Directors of Astarta consists of Mr. Viktor Ivanchyk, Mr. Viktor Gladky and Mr. Savvas Sotiri Perikleous as the Executive Directors, and Mr. Howard Dahl, Mr. Gilles Mettetal and Mr. Markiyan Markevych as the Non-Executive Directors. Mr. Howard Dahl and Mr. Gilles Mettetal are Independent Directors.

B) Representation

Members of the Board represent the Company and the Directors may from time to time and at any time, appoint any person, company, firm or body of persons, whether nominated directly or indirectly by the Directors, to be the authorized representative or attorney of the Company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may think fit.

On June 16, 2022, the General Meeting of Shareholders resolved to appoint Mr. Vyacheslav Chuck, the Director of "Astarta Agro Trade" LLC, as the person that will be temporarily charged with the management of the Company when all Directors are absent or unable to act. Such appointment is in accordance with Article 19 of the Articles of Association. In 2022 there were no cases of absence or inability to act of all Directors.

The Company may, from time to time by ordinary resolution, increase or reduce the number of directors. The General Meeting may: (a) subject to Regulation 108 of the Memorandum and Articles of Association and section 177(1) of the Law, with the sanction of an ordinary resolution appoint any person (willing to act) to the office of director either to fill a vacancy or as an additional director (and to determine the period for which such person is to hold office) provided that no appointment shall cause the number of the directors to exceed the maximum number (if any) permitted under or pursuant to the Company's Memorandum and Articles of Association; and (b) subject to sections 136 and 178 of the Law, with the sanction of an ordinary resolution remove any director from office.

No person (including a director retiring by rotation) shall be appointed (or reappointed) a director at a general meeting of the Company unless:

a. *that individual is recommended by the board ofv directors or by a committee duly authorized by the board for the purpose; or*
b. *not less than seven nor more than 42 days before the date appointed for holding the meeting, notice executed by a Qualified Member (a member or members together holding or representing shares which in aggregate constitute or represent at least 5% in number of the votes carried or conferred by the shares giving a right to vote at general meetings of the Company) has been given to the Company of that member's intention to propose that individual for appointment (or reappointment) as director (stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors) together with a notice executed by that individual stating that he is willing to act as director.*

C) The Directors

The Board of Directors of the Company is formed by the following persons:

VIKTOR IVANCHYK
born in 1956

Executive Director, Chief Executive Officer, Ukrainian national

Mr. Viktor Ivanchyk serves as an Executive Director with the Company and as the Chief Executive Officer since the Company's incorporation.

Prior to founding Astarta-Kyiv in 1993, he worked for the Kyiv Aviation Industrial Association (KiAPO) and then served at the State service. In 1993 he founded Astarta-Kyiv, which he has been the General Director of since then.

In 2005 he became a Deputy Chairman of the Counsel of the National Association of Sugar Producers of Ukraine "Ukrsugar" and, in 2007, a member of the Presidium of Ukrainian Agrarian Confederation.

He graduated from the Kharkiv Aviation Institute named after N. E. Zhukovsky (1979) and from the French Business School in Toulouse (1994). In 2007 he completed a Senior Executive MBA Programme from the International Management Institute (IMI Kyiv).

Shares owned in the Company (as at 31 December 2022): 5,000,000 (20.00%) (Ivanchyk Family: 10,000,000 (40.00%)) shares in the Company held through a Cypriot holding company named Albacon Ventures Ltd.

HOWARD DAHL
born in 1949

Non-Executive Director, Chairman of the Board of Directors, Independent Director, US citizen

Mr. Howard Dahl was appointed as a Non-Executive Director with the Company and the Chairman of the Board of Directors on 17 March 2017.

From 1987 till 2016 Mr. Howard Dahl was the member of Board for several organizations, such as, North Dakota Council for the Arts, University of North Dakota Foundation, North Dakota Trade Office, Federal Reserve Bank of Minneapolis, Trinity International University. At present time Mr. Howard Dahl serves the positions in the Amity Technology LLC, Ethics and Public Policy Center and, The Trinity Forum, Washington DC, Stoneridge Software, LongWater Opportunities, and the Center for Innovation Foundation (University of North Dakota).

Mr. Howard Dahl graduated from the University of North Dakota B.S., University of Florida and Trinity Evangelical Divinity School M.A.

Shares owned in the Company (as at 31 December 2022): 6,717 (0.03%).

VIKTOR GLADKY
born in 1963

Executive Director, Chief Financial Officer,
Ukrainian national

Mr. Viktor Gladky joined Astarta in 2012 and has been serving as an Executive Director with the Company since 2014.

Prior to joining Astarta, Mr. Gladky worked at the National Bank of Ukraine (NBU) and was the Member of the Board of several state and commercial banks, including the State Export-Import Bank of Ukraine and Citi (Ukraine).

In 1985 Viktor Gladky graduated from the Kyiv State Shevchenko University with a degree in international economics.

Shares owned in the Company (as of 31 December 2022): 13,109 (0.05%).

SAVVAS SOTIRI PERIKLEOUS
born in 1960

Executive Director, Chief Corporate Officer,
Cyprus national

Savvas Sotiri Perikleous has served as Executive Director with the Company since October 2022.

Mr. Perikleous previously held the position of Head Representative Office at Hellenic Bank in Kyiv.

Additionally, he has many years of experience in banking, having spent the previous 35 years at Hellenic Bank in Cyprus, where he was instrumental in handling large international corporate accounts. At the same time, Mr. Perikleous played a key role in the bank's International Business Centre by being head of the Accounts Department, Swift Payment and Incoming Payment Departments, and Operation Manager.

Shares owned in the Company: 0.

GILLES METTETAL
born in 1961

Non-Executive Director, Independent Director, French national

Mr. Gilles Mettetal has more than 30 years of international experience in financing agriculture, agribusiness and real estate corporate sectors. He has led and managed more than 600 transactions with EUR7bn of financing, and conducted key transactions with corporates, banks, investment funds and government and public institutions in over 40 countries.

Until June 2017 Mr. Mettetal was Director of the Agribusiness and Property and Tourism teams at the European Bank for Reconstruction and Development and also the Managing Director (interim) for the Corporate Sector. He has held various positions as a non-executive director both for multinational and local enterprises, such as Danone Industrial, Lu Polska, Kraft Bolchevik, Bonduelle Kuban, Agrokor and Axereal PEC. Today, he is also a member of the Supervisory Board of Nibulon and Chairman of the Investment Committee of Diligent Capital Partners. He also serves as a senior agribusiness expert for the United Nations Food and Agriculture Organization, the African and the Asian Development Banks. He has knowledge of English, French and Spanish languages.

In 1983, Gilles Mettetal graduated from the Ecole Nationale Supérieure Agronomique de Montpellier: Diplôme d'Ingénieur Agronome.

Shares owned in the Company: 0.

MARKIYAN MARKEVYCH
born in 1986

Non-Executive Director, Canadian citizen

Markiyan Markevych has served as Non-Executive Director of the Company since October 2022.

Mr. Markevych was appointed after resignation of Mr. Huseyin Arslan, a Non-Executive Director of the Board. On October 26, 2022, Mr. Arslan notified the Company of his intention to retire from the Company's Board of Directors for personal reasons, effective as of October 26, 2022. Mr. Huseyin Arslan did not advise the Company of any disagreement with the Company on any matter relating to its operations, policies or practices.

Mr. Markevych is a Principal and President of Crossways MK Consulting, a full-service investment consulting company focused on Eastern Europe, which since 2014 has been responsible for M&A, along with direct investment in Ukraine for more than $400M in transaction value in various sectors.

Before that, Markiyan spent extensive time in the Structured Finance area with the Bank of Montreal. Markiyan holds an MBA from Queens University and a Master of International Relations from the Ivan Franko National University of Lviv.

Shares owned in the Company: 0.

D) Shareholding by Directors and Insider Trading

The total number of the Company's ordinary shares held by the members of the Board of Directors as of 31 December 2022 was 5,019,826 amounting to approximately 20,08% of the issued and paid-up share capital of the Company.

With respect to acquiring ownership interest of securities and transactions in securities by the Directors, the Company applies the Securities Rules of the Board of Directors that are currently in the process of adaptation in accordance with the laws of Cyprus after the migration.

With respect to acquiring shares in the Company's capital by the Directors and other people that are involved with the Company, the Company follows the provisions of the EU Market Abuse Directive and the Company's Insider Trading Rules that will reflect the provisions of this Directive.

The Securities Rules of the Board of Directors and the Insider Trading Rules will be presented on the Company's website (www.astartaholding.com) after the adaptation in accordance with the laws of Cyprus as mentioned above.

In accordance with Article 45 of the Memorandum and Articles of Association of the Company and subject to the provisions of the Law, the Company may purchase its own shares (including any redeemable shares).

On June 16, 2022, the General Meeting of Shareholders authorized the Board of Directors to repurchase shares in the capital of the Company up to a maximum of 12,500,000 shares, being 50% of the currently issued and paid-up share capital, for a purchase price per share of up to PLN 125.00.

As of 31 December 2022, the Company repurchased 750.000 shares as result of buyback programmes from 2013.

E) Statement of the Board of Directors

The Board of Directors of the Company hereby confirms that (1) none of the Board members is a member of any supervisory board or holds the position of non-executive director at more than two listed companies; (2) none of the Board members holds the position of chairman of any supervisory board or of the board of directors, in case such board consists of executive and non-executive directors.

F) Principal responsibilities of the Board

The Board is responsible for the overall conduct of the Company's business and has the powers, authorities and duties vested in it by and pursuant to the relevant Cyprus laws and regulations and the Company's Memorandum and Articles of Association that is presented on the Company's website (www.astartaholding.com).

The Board is the ultimate decision-making body, except for the powers reserved for the Shareholders' meeting by law or as specified in the Company's Memorandum and Articles of Association.

The Board has a schedule of matters that are assigned to it for discussion, debate and approval in line with the requirements of the Cyprus Corporate Governance Code 2019 and Code of Best Practice for GPW listed companies 2021 that include as follows:

- *the objects and the strategic policy of the Company, review of performance against these goals;*
- *annual budget and business plan, financial and operational targets;*
- *annual, half yearly and quarterly financial results;*
- *mergers and acquisitions strategy;*
- *sustainability, responsible business strategy and KPIs;*
- *the material transactions of the Company;*
- *remuneration of Directors;*
- *appointments to Board Committees;*
- *significant variations in borrowings or borrowing facilities;*

- *financial, risk management and climate policies and procedures;*
- *approval of the Company's auditors;*
- *preparation of the annual report.*

G) Chairman of the Board of Directors and the Corporate Secretary

The Chairman of the Board of Directors is the person who is responsible for the proper and efficient functioning of the Board, determines the agenda for the Board of Directors' meetings, chairs the meetings and monitors the proper functioning of the Board of Directors and its committees.

The Chairman is also responsible for ensuring that the new Directors receive a complete and tailored induction to the Company prior to joining the Board and that existing Directors continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board Committees.

The Chairman serves as the interface between the Board and shareholders of the Company on matters of corporate governance.

Detailed information on competence of the Chairman of the Board of Directors can be viewed on the Company's website (www.astartaholding.com).

Mr. Howard Dahl held the position of the Chairman of the Board of Directors in 2022.

The Board of Directors is assisted by the corporate secretary responsible for ensuring that accurate and sufficient documentation exists to meet legal requirements, and to enable authorized persons to determine when, how, and by whom the business of the Board of Directors was conducted.

From 09 November 2021 till the Company's migration to Cyprus, Mrs. Tetiana Gromova acted as the corporate secretary of the Company. On 18 October 2022 INTER JURA CY (SERVICES) LIMITED was appointed the Company's secretary. Mrs. Tetiana Gromova remained being present during the following Board meetings in the capacity of the Head of the corporate governance and compliance department of LLC Firm "Astarta Kyiv" and assisted ensuring the accurate documentation of the Board and its committees.

H) Relationship between the Chairman of the Board of Directors and Chief Executive Officer. Role of the Chief Executive officer

A clear division of responsibilities is maintained between the Chairman and the Chief Executive Officer (CEO). The Chairman is required to maintain close relations with the CEO by giving him support and advice while respecting the executive responsibilities of the CEO. The CEO provides the Chairman with all the information required to carry out the role.

The CEO reports directly to the Board and is entrusted with the day-to-day management of the Company within strategic parameters established by the Board. The CEO is responsible for the execution and management of the outcome of all Board decisions. The CEO is delegated powers that are not exclusively reserved to the Board of the Shareholders' Meeting. The CEO may delegate authority for daily management to subordinate executives. The CEO also oversees the organization and efficient day-to-day management of subsidiaries and affiliates.

I) Non-executive independence

The Company meets all requirements of Clause 2.3. of the Code of Best Practice for GPW Listed Companies 2021 regarding the independence of the Non-Executive Directors. Two Directors that constitute one third of the general number of the Board of Directors, Mr. Howard Dahl and Mr. Gilles Mettetal, are independent directors. The independence of each of the Non-Executive Directors was considered on appointment. They meet, inter alia, the requirements set in Clause A.2.3. of the Cyprus Corporate Governance Code, namely:

- *they do not have any business or close family ties or have an employer-employee relationship with other executive members of the Board of Directors or with a shareholder who controls directly the majority of the Company's share capital or voting rights, which could (significantly) affect their independent and unbiased judgment;*
- *they have no other material relationship with the Company which, by its nature, may affect their independent and unbiased judgment;*
- *they have not been Executive Managing Directors or Executive members of the Board of Directors a directly or indirectly associated or subsidiary company presently or during the past 12 months;*
- *they have not been employees of the Company within the last 5 years;*
- *they had no material relationships with the Company within the last three years, either directly, or as a partner, shareholder, director or senior employee of an organization which has a business relationship with the Company, which could, by its nature, affect his independent and unbiased judgment;*
- *they have no business relationship or close family ties with any of the Company's advisers;*
- *they hold no cross-directorships or have no significant links with other Directors through involvement in other companies or bodies;*
- *did not serve on the Board of Directors for more than 9 years continuously.*

J) Role of the Senior Independent Director

Mr. Gilles Mettetal has been designated as the Board's Senior Independent Director. The Senior Independent Director acts as an advisor to the Chairman, is responsible for coordinating the annual evaluation of the Chairman and acts as an intermediary for the other Directors and shareholders when required. He provides an alternative point of contact for shareholders on matters where the usual channels of communication are deemed inappropriate.

K) Conflicts of interest and related party transactions

The Company provides transparent procedures for managing conflicts of interest and for related party transactions where a conflict of interest may occur.

In the case of the conflict of interest of the Director and the Company, namely, if the Director is directly or indirectly, interested in discussed issue or proposed contract with the Company, he shall declare the nature of his interest at a meeting of the directors in accordance with section 191 of the Law.

If, in the opinion of the Board, the conflict of interest exists, the relevant Director does not participate in discussions and will abstain from a Board vote on the affected matter. No director may vote in respect of any contract or arrangement in which he is interested and if he does so his vote shall not be counted and he shall not be counted in the quorum at the meeting, except for the cases provided for in the Memorandum and Articles of Association of the Company.

L) Board meetings and attendance rate

For the reporting period the Board has held 6 (six) Board meetings and 4 (four) committee meetings. All the Non-Executive Directors and the Chairman attended these meetings. Because of the military hostilities in Ukraine, the Board meetings during 2022 were conducted using conference call facilities.

M) Board effectiveness

At the end of each year, the Board and Committees undertake an assessment of their own effectiveness. In parallel, the Non-Executive Directors discuss and evaluate the performance of the Chairman. The results are considered by the Board at the first Board meeting of the following year.

N) Diversity and inclusion

The Board and the Remuneration Committee considered diversity and inclusion matters as part of the regular assessment of the Board effectiveness and the appointment process. The Board has determined that it will not set specific targets with respect to Board diversity but recognizes the benefits that this brings to its effectiveness. It is committed to promoting diversity through the business. The Company has a one-tier board consisting only of male members. When the Company has a vacancy at the Board, it will endeavor to engage female professionals to join the Board to promote gender diversity.

Astarta is also committed to equality within its remuneration arrangements for all its workforce throughout the business.

O) Confidential information

All Board Directors are required to keep confidential information received in their capacity as Directors and may not use it for any other purpose than for fulfilling their remit.

P) Information and professional development

The Management in a timely manner provides the Board of Directors with valid information in a form and of a quality appropriate to enable it to discharge its duties.

The Board ensures that Directors, especially Non-Executive Directors, have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors. Board Committees are also provided with sufficient resources to undertake their duties.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are complied with.

The Chairman is responsible for ensuring that the Directors receive accurate, timely and clear information.

The Chairman ensures that Directors continually update their skills, knowledge and understanding of the Company's activities in order to fulfil their role effectively both as part of the Board and of the Board Committees.

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors formed three committees to aid compliance with applicable corporate governance requirements with a view to financial transparency: the Audit committee, the Remuneration committee and the Sustainability and Corporate Responsibility Committee. The powers and responsibilities of each Committee shall be established in corresponding Regulations that are currently in the process of adaptation in accordance with the laws of Cyprus after the migration and will be available on the Company website (www.astartaholding.com).

A) Audit Committee

The Audit Committee is responsible for reviewing annually and reassessing the adequacy of the rules governing the committee as established by the Board of Directors. The Audit Committee is charged with advising on and monitoring the activities of the Board of Directors with respect to inter alia, the integrity of the financial statements, the financing and finance related strategies and tax planning. In accordance with the restated Regulation on the Audit Committee, it will also be authorized to consider the material climate risks.

The Regulation on the Audit Committee is in the process of adaptation in accordance with the laws of Cyprus after the migration and will be available on the Company website (www.astartaholding.com).

The Audit Committee consists of three members. The majority are independent directors. Members of the Audit Committee are as follows:

- *Gilles Mettetal (Chairman, Independent Director)*
- *Howard Alan Dahl (Independent Director)*
- *Markiyan Markevych (Non-Executive Director)*

To make the activity of the Committee more efficient employees of the Company may be invited to the meetings as well as external professionals for consultations.

Within 2022 financial year the Audit Committee conducted two meetings and, inter alia, discussed the internal audit for the period of 12 months of the year 2021, effectiveness of the internal control systems, information received through the Company's Whistleblowing Line and discussed the audit.

B) Remuneration Committee

The Remuneration Committee is appointed by the Board of Directors.

The Remuneration Committee proposes to the Board, and the Board submits to the General Meeting's approval, the remuneration policies for Executive Directors and other Directors and the individual remuneration package of each Director.

The Regulation on the Remuneration Committee is in the process of adaptation in accordance with the laws of Cyprus after the migration and will be available on the Company website (www.astartaholding.com).

The Remuneration Committee consists of two members who are independent directors.

Members of the Remuneration Committee are as follows:

- *Howard Alan Dahl (Chairman, Independent Director)*
- *Gilles Mettetal (Independent Director)*

The Remuneration Committee may request the attendance of Executive Directors or any key employee of the Company. The members of the Remuneration Committee of the Company are qualified persons and before making some decisions or proposals take into account all factors which they deem necessary, including having regard to the remuneration trends in other companies similar to the Company in terms of size and/or complexity, results of fulfilment obligations by Directors, furthermore agreements concluded and projects realized within the year.

During 2022 the Remuneration Committee conducted one meeting, during which remuneration and short-term incentive targets (STI) for Executive Directors were discussed.

C) Sustainability and Corporate Responsibility Committee

The Sustainability and Corporate Responsibility Committee assists the Board of Directors in fulfilling its responsibility for oversight of relevant sustainability and corporate social responsibility policies, strategies and programmes of the Company.

The Regulation on the Sustainability and Corporate Responsibility Committee is in the process of adaptation in accordance with the laws of Cyprus after the migration and will be available on the Company website (www.astartaholding.com). The restated Regulation will authorize the Sustainability and Corporate Responsibility Committee to report to the Board of Directors regarding the climate strategy, monitor the climate related KPIs' and targets, among others.

The Sustainability and Corporate Responsibility Committee consists of three members. The majority are independent directors. Members of the Sustainability and Corporate Responsibility Committee are as follows:

- *Viktor Ivanchyk (Chairman)*
- *Howard Dahl (Independent Director)*
- *Gilles Mettetal (Independent Director)*

5. BUSINESS ETHICS

Business ethics is a set of principles and moral standards that guides the Company while interacting with its stakeholders. Through its history Astarta developed own values which lay behind its success providing benefits to the Company's internal and external stakeholders.

The values of the Company's business ethics are presented on the Company's website and in the Code of Conduct that is currently in the process of adaptation in accordance with the laws of Cyprus after the migration and will be available on the Company website (www.astartaholding.com).

Among them are as follows: impeccable business reputation, social responsibility, respect for partners, high quality of goods and services, conscientious performance of official duties, respect for colleagues and management team of the Company.

Key Company's values are delivered by the management through open communication with employees on regular basis, day-to-day work, and personal behaviour. Management is open to ideas from the employees and takes them on board on regular basis. Any documents related to Company's values are usually reviewed and approved by the Compliance Committee.

Below are the ways how the corporate values are incorporated into the Company's business practices.

A) Impeccable business reputation

Each team member performs daily tasks while taking care of impeccable business reputation of the Company. The Company prevents any violations of the law by its team members and partners, defends the principles of justice and integrity.

B) Social responsibility

The Company bears responsibility for the quality of goods and production processes at all of its affiliated enterprises towards consumers, employees and partners. The Company performs an active role in the society by harmonious coexistence, interaction and ongoing dialogue within society, participation in resolving acute social issues. By setting social responsibility goals the Company promotes sustainable development, including health and well-being of society, and considers expectations of all parties concerned. The social responsibility value is integrated into the activities of all structural subdivisions of the Company.

C) Respect for partners

When building cooperation, the Company considers not only its own interests, but also the interests of its partners, strives for cooperation on mutually beneficial terms and makes every effort to protect the rights and interests of third parties when implementing the Company's business strategy. The Company gains loyalty and trust of the partners by doing business fairly and with high integrity.

D) Quality of goods and services

The Company is constantly working on important innovations, tailored solutions, and implementation of industry-wide quality and compliance systems to constantly upgrade quality of its goods and services. Certification of manufacturing processes and of its highly qualified specialists is the Company's standard practice.

E) Conscientious performance of official duties

The Company supports responsible work of each employee. Correcting mistakes and learning, constantly improving, and performing better are the principles of each employee and the Company itself.

F) Respect for colleagues and management team of the Company

The Company promotes friendly working environment based on respect for each individual and creating possibilities for professional development. All employees and management of the Company focus on working together towards common results.

Key Company's values are delivered by the management through open communication with employees on a regular basis, day-to-day work, and personal behaviour. Management is open to ideas from the employees and takes them on board on a regular basis.

6. ANTI-CORRUPTION AND BRIBERY

Compliance with relevant anti-corruption laws are important elements of the Company's business activity.

In dealing with customers and suppliers, including the government bodies, the Company expects its management staff and employees neither to give, nor to receive bribes or anything of value to obtain any business or financial benefits. The employees of the Company are informed that any demand for or offer of such bribe or anything of value must be immediately rejected. The Company is currently working on the Anti-corruption Policy that will be placed on the Company's website.

Accepting and granting business reasonable gifts and business hospitality is not forbidden in the Company subject to compliance with the applicable anti-corruption law. The Regulation on Business Gifts and Hospitality is presented on the Company's website.

The Company is not engaged in politics or makes payments to political parties or to the funds/entities that promote any party's political interests.

When dealing with the government or state agencies the Company is encouraged to promote and defend its legitimate commercial objectives through industry associations in which it participates.

The Company promptly responds to requests from the government and other agencies for legitimate and relevant information, observations, or opinions on issues relevant to its business and to invitations to participate in the development of the proposed legislation in areas that may have an effect on its commercial interests.

As a preventive and precautionary measure, the compliance officer and the security department perform explanatory work with employees regarding the relevant anti-corruption laws and internal regulations. Any person may report of any known or suspected violation either personally to the compliance officer, or unanimously through the Whistleblowing line.

The Whistleblowing line is an effective mechanism of tracking information regarding existing or potential violations, including anti-corruption ones, within the Company. All potential business counterparties are also subject to security checks for compliance with anti-corruption laws.

The Company does not participate in charitable and sponsorship projects with the direct or indirect purpose to influence decisions of government bodies or similar related parties, that eventually may influence its business activity. Information on all expenses of the Company in relation to charitable and sponsorship activity is publicly available.

7. COMPLIANCE WITH SANCTIONS

The Company complies with international and national sanctions related to the Russia's invasion of Ukraine. Astarta developed the Sanctions Policy to preserve the impeccable business reputation of the Company, to avoid cases of cooperation with counterparties for which international and/or national sanctions had been imposed, related financial, operational and other risks, as well as to ensure the continuity of business processes. The Sanctions Policy is available on the Company's website.

8. MONITORING THE EFFECTIVENESS OF THE CODE OF CONDUCT

The Company systematically monitors the effectiveness of the Code of Conduct. The above function lies with the HR department and Compliance Committee. During the reporting period the Compliance Committee held four meetings. The Committee had not identified gross violations of the Code of Conduct.

9. REMUNERATION POLICY

The Remuneration Policy indicates the principal objectives that the amount and structure of the remuneration of the members of the Board of Directors is such that (i) qualified managers can be retained and motivated; (ii) the smooth and effective management of the Company is exercised, and (iii) the remuneration package with shareholder's interests is aligned both for the short and long-term. Individual-specific responsibilities are taken into consideration in respect of the determination and differentiation of the remuneration of the members of the Board of Directors.

The Company is committed to providing a total remuneration that is competitive, comparable to and consistent with the practice in the agri-industry on a comparable market and is reasonable in relation to the Company's operating results and size.

The Remuneration Policy for the Board of Directors is currently in the process of adaptation in accordance with the laws of Cyprus after the migration and will be presented on the Company's website (www.astartaholding.com).

10. SHAREHOLDERS MEETINGS

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it, and no more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

The directors may, whenever they deem necessary, convene an extraordinary general meeting.

A) Notice of Shareholders Meetings

An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice at the least subject, nevertheless, to the provisions of section 127 of the Law. The notice shall, specify the following:

a. *the proposed agenda for the meeting;*
b. *the procedures in respect of the participation and voting in the meeting required to be complied with by the members entitled to attend and vote at the meeting, including:*
   i. *the right of the member to add items on the agenda of the general meeting, to table draft resolutions and to ask questions related to items on the agenda and the deadlines by which any of those rights may be exercised; and*
   ii. *the right of a member which is entitled to attend, to speak, ask questions and vote, to appoint a proxy, including a proxy who is not a member, through Electronic Means or otherwise or, where permitted, to appoint one or more proxies each one of whom being entitled to attend, speak, ask questions and vote in the member's place;*
c. *the procedure for voting by proxy, including the forms to be used and the means by which the Company is prepared to accept electronic notification of the appointment of the proxy;*
d. *where applicable, the procedure for electronic voting or voting by correspondence, respectively;*
e. *the Record Date and that only the members registered as holders of shares conferring the right to attend and vote at the meeting, as at the close of business on the Record Date, shall be entitled to attend and vote at the meeting;*
f. *where and how the full unabridged text of the documents to be submitted to the meeting may be obtained; and*
g. *the internet site at which the information which is required to be provided to members as well as the resolutions (if any) proposed by members shall be made available, subject always to the provisions of the Law.*

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

B) Proceedings at the Shareholders Meetings

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring, if any, and the appointment of, and the fixing of the remuneration of the auditors.

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Three or more members present in person or by proxy and entitled to vote, holding or representing by proxy between them not less than 51 per cent of that part of the issued share capital of the Company which carries the right to vote at general meetings of the Company, shall be a quorum.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

All notices and other communication relating to any general meeting which every member is entitled to receive must also be sent to the auditors and the directors of the Company. The directors and auditors shall be entitled to attend and speak at any meeting of the members.

The chairman of the Board of Directors shall preside as chairman at every general meeting of the Company,

At any general meeting any resolution put to the vote of the meeting shall be decided by poll.

C) Votes of Members

Every member shall have one vote for each share of which he is the holder. On a poll a member entitled to more than one vote need not use all of his votes or cast all the votes he uses in the same way.

On a poll votes may be given either personally or by proxy and any member and any proxy appointed by a member shall have the right to cast all or some of the votes to which such member or proxy, as the case may be, is entitled in favour of and /or against the resolution in question and/or abstain from voting on the resolution in question in respect of all or some of his votes.

Every member may appoint one or more proxies to be present at the same event by one or more instruments.

The chairman of a general meeting shall not have a second or casting vote. Subject to Article 65 of the Memorandum and Articles of Association of the Company some rights and restrictions regarding voting rights may be applicable to any class or classes of shares.

11. SHAREHOLDERS MEETINGS, BOARD MEETINGS AND COMMITTEES' MEETINGS IN 2022

The annual General Meeting of Shareholders of the Company was held in Amsterdam, the Netherlands on 16 June 2022.

Within the financial year 2022, the Board of Directors held six meetings via a conference call: on 17 January 2022, 06 April 2022, 13 May 2022, 15 June 2022, 16 June 2022, 25 August 2022.

Within the financial year 2022, the Audit Committee held two meetings via conference call: on 17 January 2022 and 06 April 2022.

Within the financial year 2022, the Remuneration Committee was held via conference call on 16 June 2022.

Within the financial year 2022, the Sustainability and Corporate Responsibility Committee was held via conference call on 09 September 2022.

12. GOVERNANCE AND CONTROL

The objective of corporate governance is to develop tools supporting efficient management, effective supervision, respect for shareholders' rights, and transparent communications between the Company and the market. As a public company that is domiciled in Cyprus and whose shares are admitted to trading on a regulated market in Poland, ASTARTA HOLDING PLC has undertaken to adhere to Cyprus Stock Exchange Corporate Governance Code and the Code of Best Practice for WSE Listed Companies.

The Cyprus Stock Exchange Corporate Governance Code and the Code of Best Practice for WSE Listed Companies are publicly available on the Company's website (www.astartaholding.com).

A) Code of Best Practice for WSE Listed Companies

The Polish principles of corporate governance are provided in "The Code of Best Practice for WSE Listed Companies" approved by the Resolution No. 12/1170/2007 of the Exchange Supervisory Board dated 4 July 2007. On 13 October 2015 the Code of Best Practice for WSE Listed Companies was amended by Resolution Nº 26/1413/2015 of the Warsaw Stock Exchange Supervisory Board and new amendments took effect from 1 January 2016.

The Exchange Supervisory Board in its Resolution No. 13/1834/2021 of 29 March 2021 approved the new principles of corporate governance for companies listed on the GPW Main Market: the Best Practice for GPW Listed Companies 2021. It is a new edition of the code of corporate governance for companies listed on the GPW Main Market, originally approved in 2002.

The new Code of Best Practice for WSE Listed Companies 2021 (hereinafter – the "Code of Best Practice") reflects current trends and follows European regulations of corporate governance. The update integrates the present legal status and recent trends of corporate governance and addresses the proposals of market participants interested in improved corporate governance of listed companies. The Code of Best Practice for WSE Listed Companies 2021 is available on the Company's website (www.astartaholding.com).

The aim of the Code of Best Practice is to strengthen the monitoring role of the Board of Directors in listed companies, adopt greater transparency and provide timely information as well as sufficiently safeguard the independence of the Board of Directors in its decision-making, to encourage the shareholders' engagement in matters of the Company and to assure efficient internal control, risk management and compliance systems.

The document is divided into thematic sections: Disclosure Policy, Investor Communications; Management Board, Supervisory Board; Internal Systems and Functions; General Meeting, Shareholder Relations; Conflict of Interest; Related Party Transactions; Remuneration.

Each section of the Code of Best Practice opens with a general description of the goals to be pursued by listed companies through compliance with the provisions of the section. The recommendations that follow require the disclosure of compliance details in a statement of compliance with the corporate governance principles included in the issuer's annual report. The detailed provisions of the Code of Best Practice follow the "comply or explain' approach. In line with the recommendations of the European Commission, within the limits of its powers, the Exchange will monitor the companies' compliance with the corporate governance regulations with a special emphasis on the quality of explanations published by companies in accordance to the "comply or explain" approach.

Statement of compliance with the Code of Best Practice for WSE Listed Companies

The Company confirms that in 2022 it complied with the most provisions of the Code of Best Practice, except provisions mentioned in Clause 13 below. The Company undertakes to eliminate the discrepancy during 2023.

B) Cyprus Stock Exchange Corporate Governance Code

As a public company that is domiciled in Cyprus and whose shares are admitted to trading on a regulated market in Poland, ASTARTA HOLDING PLC has voluntarily undertaken to adhere to the Cyprus Stock Exchange Corporate Governance Code.

The Council of the Cyprus Stock Exchange (CSE) in September 2002 issued the Code of Corporate Governance for the Cyprus Stock Exchange (hereinafter — the "Cyprus Code"). The aim of the Code is to strengthen the supervisory role of the Board of Directors, to protect minority shareholders, to adopt greater transparency and to provide timely information, as well as to sufficiently safeguard the independence of the Board of Directors in its decision-making. The Code is voluntary for the listed companies. Listed companies have an obligation to include in their Board of Directors' annual report to shareholders, a report on corporate governance as follows: The company should state in the first part of the report whether the principles of the Code are being adhered to. The company should confirm in the second part of the report that it complies with the principles of the code and, in the event that it does not, should give explanations as to non-compliance.

Statement of compliance with the Cyprus Stock Exchange Corporate Governance Code

The Company confirms that in 2022 it complied with the most provisions of the Cyprus Code, except for provisions mentioned in Clause 13 below. The Company undertakes to eliminate the discrepancy during 2023.

13. DEVIATIONS FROM THE CODE OF BEST PRACTISE FOR WSE LISTED COMPANIES AND CYPRUS STOCK EXCHANGE CORPORATE GOVERNANCE CODE

A) As for the Code of Best Practice the Company does not apply the following:

I. Management Board, Board of Directors

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. Regarding gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company has not adopted the Diversity policy, as a separate document, however since 2007 year the Company has adopted the Rules of the Board of Directors, which include a Profile of the Board of Directors, Resignation schedule for members of the Board of Directors and other documents regulating the Board of Directors' composition, decision making process, work mode, allocation of powers and general functioning. Rules of the Board of Directors are currently in the process of adaptation in accordance with the law of Cyprus after the migration.

Corporate documents of the Company don't contain the information with respect to gender or age requirements for members of the Board of Directors. The main principles of engagement of Directors are their qualifications, experience and compliance with the independence criteria and principles in their past and current activity in other companies. The Company has consistently applied a policy whereby governing and managerial positions are filled by competent, creative individuals possessing necessary experience and education.

2.11. In addition to responsibilities laid out in the legislation, the Board of Directors prepares and presents an annual report to the annual general meeting once per year that includes, inter alia, information about the members of the board and its committees.

The Company has a one-tier board structure, there are Executive and Non-Executive Directors in the Board of Directors of the Company. The information in respect of the Non-Executive Directors and their activity is set in the corporate governance report which forms part of the annual report.

II. General Meeting of Shareholders

4.3. Companies provide a public real-life broadcast of the general meeting.

Currently the Company does not perform audio or video recording of the general meeting. The shareholders have a possibility to participate either personally, or through electronic means of communication. All information related to the general meeting of shareholders is publicly available on the Company's website (www.astartaholding.com).

To comply with the Code of Best Practice the Company is currently updating the following corporate governance documents:

1. *By-laws of the General Meeting of Shareholders*
2. *Rules of the Board of Directors*
3. *Rules on independence and selection of an external auditor*
4. *Profile of the Board of Directors*
5. *Resignation Schedule for the Members of the Board of Directors*
6. *Remuneration Policy*
7. *Charter of the Rules governing the Audit Committee*
8. *Charter of the Rules governing the Remuneration Committee*
9. *Charter of the rules governing the Sustainability and Corporate Responsibility committee*
10. *Profile and Tasks of the Compliance Officer*
11. *Securities Rules of the Board of Directors*
12. *Code of Conduct*
13. *Whistle-blowing Rules*
14. *Insider Trading Rules*
15. *Dividend Policy*

All these restated documents are available on Astarta's corporate website (www.astartaholding.com).

Confirmations in relation to the Code of Best Practice

There has not been conflict of interest situations between the Directors and the Company during financial year 2022 in line with Clause 5 of the Code of Best Practice.

The Board of Directors would like to confirm that if there had been such situations, the Board of Directors would report any conflict of interest that arisen, or may arise, and refrain from discussions on the issue that may give rise to such conflict of interest in their case. If the member of the Board of Directors would conclude that the decision of the Board is in conflict with the interests of the Company, he would have requested the minutes of the meeting to record his dissenting opinion.

The Board of Directors also confirms that no personal loans, guarantees, or the like, unless in the normal course of business, were granted to Directors and/or Non-Executive Directors.

B) As for the Cyprus Stock Exchange Corporate Governance Code the Company does not apply the following:

Principle A.2.3.(j) the Directors who are considered independent must submit to the CSE a signed confirmation of independence confirming that they comply with the criteria referred to in this provision, with the Annual Report of Corporate Governance Code.

Considering the recent relocation of the Company from the Netherlands to Cyprus, The independent directors are yet to submit the signed confirmation of independence to the CSE.

Principle A.5. All Directors should resign at regular intervals and at least every three years. In case they wish, they can submit themselves for re-election.

Subject to the Company's Memorandum and Articles of Association, no non-executive director may continue to be appointed to the board of the Company for a period of longer than 12 years. There is no time limit for executive directors to stay on the Board of Directors, however the Company performs periodic rotation.

D.2.4. The Board of Directors should appoint a management executive or an officer of the Company as the Investor Liaison Officer.

Communication with the shareholders and investors is assured by the Chairman of the Board of Directors. Additionally, the Senior Independent Director is appointed.

All information pertaining to the Company is distributed promptly and fairly to all shareholders. The information support of the Board of Directors is provided by the corporate secretary.

14. LONG-TERM VALUE CREATION

The Board of Directors is focused on a long-term value creation for the Company and its affiliated subsidiaries and takes into account stakeholders' interests. The Non-Executive Directors monitor adherence to the above principle. The Company's management aims to develop a sustainable strategy for the long-term monitoring of relevant technologies and changes in business models to meet stakeholder expectations.

The Company's interpretation of the concept of the long-term value creation is to develop sustainable long-term value through the achievement of operating and sustainability goals. The Company's view on long-term value creation includes increasing the Company's capital and social return on investments. The Company is a reliable and trustworthy business partner and supplier, committed to the best international standards of quality, innovation and sustainability.

The Company shares the UN's 2030 Agenda for Sustainable Development with 17 goals and contributes to their achievement. The Sustainability goals are closely connected with the Company's mission and values which are aimed at building strong Ukraine and strengthen its credibility in the world, unlocking and multiplying the potential of its land and people and inspiring the society with exemplary business conduct, based on the principles of fair partnership, ethics and development.

The Company's policy is based on continuous improvement in the areas of environmental and labour protection, safety, energy consumption and product quality. These elements are part of the corporate integrated management system. By way of example, the Energy Efficiency Programme was developed to improve energy use and consumption reduction at Astarta's production subsidiaries. Management targets reduction of gas and electricity consumption as an important element of business sustainability.

15. INTERNAL CONTROL

The Board of Directors is ultimately responsible for the Company's governance, risk management, internal control system and regularly reviews their effectiveness. Once identified, risks are evaluated to establish their potential financial or non-financial impact and the likelihood of their occurrence. For risks assessed as significant, a mitigation action plan is determined by the relevant management team.

Internal risk management and control systems are designed to identify significant risks and to assist in managing those risks that could prevent the Company from achieving its objectives. The systems however cannot provide absolute assurance against material misstatements, errors, noncompliance, fraud, or violations of laws and regulations. Besides, any internal risk management and control systems cannot provide total assurance of achievement objectives.

Since all key business operations are located in Ukraine, the risk management, internal control and compliance framework mentioned below describes corresponding elements of such control at the level of the Ukrainian company — LLC firm "Astarta-Kyiv" (unless stipulated otherwise), which is established under and acting within the laws of Ukraine.

The internal risk management and control systems have two principal organizational forms:

(i) structural and functional form, including regulations for functional collaboration of departments both horizontally (job descriptions, charters of subsidiaries, rules of agreements, adjustment, regulations etc.) and vertically (rules of budgeting and planning, financial and economic analysis, and control etc.); and

(ii) direct control forms.

With respect to (i), the control elements provide for functioning of overall control, which foresees, among other things, the following:

1) Control across all stages of business planning (budgeting)

Preliminary control over relative processes is executed over Astarta vertically, starting from setting up Astarta's objectives and tasks for the planning period and ending with adoption by the management of subsidiaries, prepared and coordinated with all participants following verification of alignment with the objectives.

Current control over business plans (budgets) is exercised firstly by comparing actual performance with adopted plans to identify deviations and prevent adverse forthcomings for particular subsidiaries and Astarta as a whole. All deviations are analysed for the reasons behind and measures are taken to eliminate these deviations.

2) Control over revenues and expenses

Control over revenues and expenses of the subsidiaries of Astarta as well as over crediting and withdrawal of funds of these subsidiaries is exercised via budget regulations for each of Astarta's subsidiaries.

The Company formed the Budget Committee whose function is to improve efficiency of control over revenues and expenses of subsidiaries. It convenes meetings on a regular basis to approve budgets and exercise control over budgeting at the level of Astarta and its subsidiaries.

3) Control over sales by subsidiaries of the Group

Astarta exercises centralized control over sales of the Group's core products. This occurs via negotiations with consumers, drafting schedules of dispatching and instructing subsidiaries. Control over sales is established by way of control over execution of the dispatching schedules by the subsidiaries as well as cooperating with the consumers.

4) Control over purchasing and logistics functions of the Group

Astarta exercises centralised control over purchasing and logistics functions. In addition, majority of procurement tenders are executed centrally with additional control from compliance. Functional departments work towards automation of procurement to streamline the processes.

5) Control over investment decisions

Astarta developed procedures for formalizing investment decisions. The Investment Committee functions to improve efficiency of the investment-making process and to minimize risks associated with wrong investment decisions. Regulations of investment processes are in place to decrease risks at the execution stage of projects. The Company's internal control system commands thorough due diligence of businesses considered for investments.

6) Control over financial and tangible assets

Astarta exercises centralized and automated control over accounts receivable by subsidiaries to increase financial liquidity and efficient use of financial resources. In addition, Astarta exercises centralized control over the retirement of real assets and their utilization efficiency.

7) Policy of economic security

This policy is realized by a well-established system of the economic security service, which is a vertically integrated chain of security departments at the level of Astarta and its operational subsidiaries. In addition, the Company created a monitoring system for preventing conflicts of interest and fraud. Astarta also improved regulations of IT security.

8) Whistleblowing Line

Following the recommendations of an external consulting company, Astarta maintains a Whistleblowing Line. Everyone who works in the Company or with Astarta can provide information about suspected fraud or other violations by telephone, post, e-mail, or the Company's website. This information may be left anonymously if the contacting person wishes to. Over the last twelve months the Company received 135 messages through the Whistleblowing Line.

9) Compliance Committee

The Compliance Committee consists of 12 members and is chaired by the CEO. The Compliance Committee supports the Board of Directors to discharge its responsibility in assuring and managing compliance. Under the scope of the Compliance Committee the following as areas are covered (i) issues relating to the Code of Conduct, (ii) anti-bribery, (iii) fraud, (iv) conflicts of interests (v) data protection, (vi) human rights, (vii) KYC procedures and (viii) Whistleblowing line. The Compliance Committee systematically identifies material compliance risks in those areas, enforces compliance with laws and regulations, monitors compliance and reports findings and recommendations to the Board of Directors. In 2022 The Compliance Committee held four meetings.

10) Focus on the risk of fraud

The primary responsibility for the prevention and detection of fraud lies with the Board of Directors.

In order to prevent abuse in price formation for the sale of products by the Company, there is a Pricing Committee, which analyses the trends of price changes in world markets and compares them with the prices used by the Company for the sale of products.

The Company also has an electronic procurement system that enforces competitive procedures for selecting product suppliers. All procurements starting from 5 thousand dollars by value are subject to the electronic procurement system and approved by the Tender Committee.

In addition, the Company regularly studies legal and regulatory frameworks applicable to its business. The Company identified provisions of those laws and regulations that have a direct impact on the recognition of material amounts and disclosures in the financial statements, such as the financial reporting framework, tax and pension laws and regulations.

The Company pays considerable attention to preventive measures. Compliance and security departments monitor adherence to internal Security and Anti-Corruption Regulations, Sanctions Policy. Moreover, the Company continues to automate various internal control functions.

The Department of Accounting and Taxes develops uniform accounting policies for all Astarta's subsidiaries, regularly exercises control over the subsidiaries, and examines compliance of the subsidiaries with the accounting standards and policies in place.

11) Internal Audit

The Company has an in-house Internal audit function whose primary purpose is to provide independent assurance to the Audit Committee and Board of Directors respectively on the Company's management and control system. The internal audit remains free from any conditions that impair the ability of the internal auditor to carry out his responsibilities in an unbiased manner. Internal audit coverage includes all the Company's operations, services, and responsibilities. The Head of the Internal Audit Department reports directly to the Audit Committee.

The Internal Audit Department plays an important role in the internal control system assessment and its activities are designed improve operations of Astarta and its subsidiaries. It helps the Company to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance. An internal audit function aims to enhance and defend the Company's organizational value by providing risk-based and objective assurance, advice, and insight.

In connection with the abovementioned, Astarta is aware that some functions of its internal risk management and control systems need to be reviewed, evaluated, and improved. The Company believes that it takes adequate and appropriate steps to strengthen internal risk management and control systems regularly.

Deficiencies

Over the period covered by this annual report, the Company had not identified any internal control issues that could be classified as a material weakness or having a material impact on the operational and financial results. The Company had, however, identified certain areas for control improvement as outlined below.

The first set of issues is related to the IT system and control improvement, including usage of the system as well as a means of control. Astarta strengthened its IT department to use IT as a measure of control for efficiency improvement and a cooperation tool with the security department, department of procurement, financial department, operating departments, internal audit department, and other subdivisions.

The second set of issues relates to insufficient formalization and optimization of processes of financial and management accounting. To resolve these issues, Astarta initiated the analysis to enable:

(i) standardization and improvement of the financial accounting system and its compliance with IFRS as adopted by the European Union, as well as

(ii) formalization of management accounting aimed at control of the fulfilment of designated tasks in the process of business planning.

According to specific regulations, Astarta can also verify and improve system of internal control over financial reports. The Company's external auditors are obligated to consider internal control over financial reporting as a basis for design of their audit procedures for the purpose of expressing their opinion on the consolidated financial statements. In addition, Astarta discussed own assessment of control and risk management framework with external auditors.

The Board of Directors believes that the Company's internal risk management and control systems have not led to any major problems or material errors in the 2022 financial reporting of the Company. The Board of Directors makes every effort for the Company's internal risk management and control systems to be implemented effectively, but notes that there are areas where the deficiencies as described above were identified, in relation to which adequate remedial actions had been taken in 2022.

16. REMUNERATION REPORT

This remuneration report was drawn up in accordance with requirements of the engagement EU Directive on the encouragement of long-term shareholder engagement (SRD II) and Clause B.3.2. of the Cyprus Stock Exchange Corporate Governance Code.

Following the Clause B.2.of the Cyprus Stock Exchange Corporate Governance Code the level of remuneration of the members of the Board of Directors is sufficient to attract and retain the Directors to run the Company successfully but the Company avoids paying more than necessary for this purpose. The level of remuneration is adequate to the tasks and responsibilities delegated to individuals and corresponding accountability.

Astarta is interested to remunerate the Directors in a way that is in line with the market, considering the annual results of the Company and individual achievements, namely contribution of each Director to the development of the Company.

Gross profit decreased by 5% y-o-y to EUR209m due to higher production costs. EBITDA decreased from EUR201m in 2021 to EUR155m in 2022 with high transportation costs due to changes in traditional logistic routes because of limited access of sea transportation.

Since the beginning of the russia's full-scale invasion on 24 February 2022, Ukraine faces a new reality of an existential risk to lives and health of Ukrainians as well as business operations. Astarta had to adjust to the war-time reality to continue business under extreme conditions.

In 2022, despite significant war-related challenges, Astarta managed to secure all required inputs for planting of its entire land bank. Following the military hostilities and related difficulties with grain handling, storage and exports the Company was forced to adjust crop rotation in favour of higher acreage under oilseed crops such as sunflower and soybeans, which have lower yields per hectare of land compared to corn and can be processed locally. After the russian invasion halted traditional logistics modality Astarta successfully managed to establish alternative overland export routes and means of transport. This allowed the Company to export 535kt of grain and oilseeds and to free up storage space for the 2022 and upcoming 2023 crop.

The russian invasion of Ukraine also caused significant disruption in energy supply posing certain risks to sugar production. Astarta responded to these challenges by securing gas deliveries and diversifying energy sources through use of alternative fuel such as sunseed pellets. This allowed Astarta to produce 282kt of beet sugar in 2022 which is 6% y-o-y higher compared to the previous season. Astarta's energy efficiency programme focused on replacing natural gas consumption with biogas in the Sugar Production segment to 10% from 2% in 2021.

The Company increased soybean processing volumes by 23% y-o-y to 211kt despite the brief suspension of crushing due to war-related risks. Overcoming major logistical challenges Astarta secured stable exports of soybean products which contributed 84% of total segment revenues compared to 66% in 2021. As part of the energy independence strategy in the Soybean Processing segment the share of natural gas substitution by biogas increased to 50% in 2022 from negligible amount in the previous year.

The collapse of sales and supply chains, as well as physical damage to some dairy processing plants following the russian invasion led to lower milk processing in Ukraine. Despite these challenges Astarta managed to increase milk production by 6% y-o-y to 102kt on the back of 4% y-o-y increase in daily average milk yield to 23.6kg/day and 2% y-o-y growth in the size of the milking herd.

In 2022 Astarta also continued focusing on innovations through development of modern IT technologies. The team of Agrichain, a proprietary integrated multi-module IT software, continued updating IT modules and developing new ones, assisting in managing the complexity of agribusiness practices. Among the new modules introduced by Agrichain are AgriChain Machinery (machinery and equipment management) and AgriChain Logistics (logistics, inventory and product management). A new add-on to the AgriChain Scout module on soil sampling for further analysis in the laboratory was developed. In 2022 AgriChain also started cooperation with the US "Planet Labs", a leading company in the Earth observation from space. Agrichain also successfully completed testing the electronic document management of transport consignment notes.

At the start of the war, Astarta co-founded a large-scale humanitarian project Common Help UA. The project grew through other businesses, international organizations, local communities and temporarily displaced civilians joining in to help those in need, nurture local entrepreneurship, create jobs for displaced people, support domestic producers and the economy in general.

By the end of 2022 more 28kt of humanitarian supplies (food, medicine, personal hygiene products, clothing) were delivered, the estimated monetary value of charitable contributions and humanitarian aid totalled USD18m, over 716k evacuated civilians and 407 social and medical institutions received humanitarian aid.

In line with the Clause 6.4. of the Code of Best Practice, the Board of Directors performs its responsibilities on a continuous basis and the remuneration of the members of the Board of Directors does not depend on the number of meetings held. The remuneration of the members of committees considers additional workload on the committee.

Remuneration Committee

In line with Clauses B.1.1.–B.1.4. of the Cyprus Stock Exchange Corporate Governance Code, to avoid the potential conflicts of interest, the Board of Directors has set up a Remuneration Committee considering exclusively of Independent Non-Executive Directors (Messrs. Howard Dahl, Gilles Mettetal) to make recommendations to the Board, and the Board submits to the General Meeting's approval, the Executive Directors' level of remuneration and to determine on their behalf specific packages for each of the Executive Directors, including any compensation payments. The members of the Remuneration Committee have knowledge and experience in application of the Remuneration Policy. Additionally, the Remuneration Committee has access to professional advice inside and outside the Company.

Following the Clause B.1.6. of the Cyprus Stock Exchange Corporate Governance Code, the Remuneration Committee periodically reviews the Remuneration Policy.

Remuneration Policy

The Directors of the Company are remunerated according to the Remuneration Policy adopted on 28 May 2021 (the "Remuneration Policy"). Currently the Remuneration Policy is in the process of adaptation in accordance with the laws of Cyprus after recent relocation of the Company from the Netherlands to Cyprus.

The Company shall not make any payments as remuneration to the members of the Board of Directors, whether annual payments, periodical payments/rewards, payments payable on a certain term, entitlements to profits, bonuses, or pension payments, whether in cash or in kind, other than in accordance with the Remuneration Policy.

As previously reported the Company is a holding company with all production assets situated in Ukraine. Considering this fact, the Executive Directors shall be involved in the operational process in Ukraine, therefore the operational management of the Company is carried out at the sub-holding level — by the management of LLC Firm "Astarta-Kyiv". Thus, the Company defines management remuneration — (i) for directors who do not take part in the operational management (the Non-Executive Directors), and (ii) for directors who take part in the operational management (the Executive Directors).

Total remuneration

The Remuneration Policy seeks to enable members of the Board of Directors to receive market competitive levels of remuneration. Following the Clause B.2.2. of the Cyprus Stock Exchange Corporate Governance Code, the Remuneration Committee compares the position of the Company and other companies in the agricultural industry and considers the relative performance. Hence, the Company uses principles regarding total remuneration that are competitive, comparable to and consistent with the practice in the agricultural industry on a comparable market, as well as in reasonable relation to the Company's operating results.

Following the Clause B.2.7. of the Cyprus Stock Exchange Corporate Governance Code, members of the Board of Directors who do not take part in a day-to-day operational activity of the Company can receive remuneration in the form of an annual fixed remuneration and are not entitled to any variable performance-related remuneration. Remuneration of Non-Executive Directors is not linked to the Company's profitability.

Executive Directors who take part in a day-to-day operational activity of the Company, can receive remuneration package consisting of an annual fixed and variable remuneration. The Remuneration Committee performs scenario analysis to assess the impact that different performance levels will have on the total remuneration of the Executive Directors in amount of variable part.

Annual remuneration

Annual fixed remuneration is set in the Remuneration Policy range by the Board of Directors upon proposal of the Remuneration Committee. Annual fixed remuneration is usually reviewed annually, without any commitment to increase, after adoption of the annual accounts.

On 16 June 2022, in accordance with Remuneration Policy dated 28 May 2021 year the Board of Directors approved and ratified the remuneration of the Chairman of the Board at EUR75,000 per year, Non-executive Director at EUR40,000 per year, Chief Corporate Officer at EUR40,000 per year for financial year 2022.

The Executive Directors shall be remunerated by the Company's subsidiary LLC Firm "Astarta-Kyiv". The Board of Directors approved the following recommended fixed remuneration of Executive Directors for 2022: Mr. Ivanchyk, CEO — the equivalent of EUR360,000 and Mr. Gladky, CFO — the equivalent of EUR276,000.

The abovementioned resolutions are approved based on the Remuneration Policy, the results of examination of the consolidated financial statements as at and for the year 2021 approved by the General Meeting of Shareholders as well as upon the Remuneration Committee's proposals dated 16 June 2022.

Remuneration of the Executive and Non-Executive Directors for reported financial years

Director's name	Position	Financial year	Fixed remuneration	Variable remuneration	Total remuneration
Viktor Ivanchyk	Executive Director (Chief Executive Officer)	2022	360	–	360
		2021	382	360	742
Viktor Gladky	Executive Director	2022	276	–	276
		2021	271	240	511
Marc van Campen	Executive Director	2022	40	–	40
		2021	40	–	40
Howard A. Dahl	Non-Executive Director (Chairman of the Board of Directors)	2022	75	–	75
		2021	75	–	75
Gilles Mettetal	Non-Executive Director	2022	40	–	40
		2021	40	–	40
Arslan Huseyin	Non-Executive Director	2022	40	–	40
		2021	40	–	40
Savvas Sotiri Perikleous	Executive Director	2022	–	–	–
		2021	–	–	–
Markiyan Markevych	Non-Executive Director	2022	–	–	–
		2021	–	–	–

Additionally, expenses on the long-term incentive plan (LTI) for the year ended 31 December 2022 were accrued for Mr. Ivanchyk in the amount of EUR 300 thousand and for Mr. Gladky in the amount of EUR 275 thousand (2021: for Mr. Ivanchyk in the amount of EUR 600 thousand and for Mr. Gladky in the amount of EUR 415 thousand). These expenses are not part of total 2021–2022 remuneration in the table above, as these LTI awards were not received by management. Total remuneration including accrual for LTI for Mr.Ivanchyk resulted in amount of EUR 660 thousand and for Mr. Gladky resulted in amount of EUR 551 thousand for 2022 (2021: for Mr.Ivanchyk in amount of EUR 1,342 thousand and for Mr. Gladky in amount of EUR 926 thousand).

Loans and guarantees

The Company does not grant loans, advance payments or guarantees to members of the Board of Directors or any family member of such persons.

17. REPORT OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Board of Directors, Mr. Dahl, Mr. Mettetal, Mr. Arslan and Mr. Markevych have performed the following actions and duties in their role as Non-Executive Directors in 2022.

The Non-Executive Directors are charged with supervising the policy, strategy and fulfilment of duties of the Executive Directors and the general affairs of the Company.

Mr. Dahl, Mr. Mettetal are independent within the meaning of Clause A.2.3. of the Cyprus Corporate Governance Code and Clause 2.3. of the Code of Best Practice for GPW Listed Companies 2021.

In carrying out their task, they participated in the Board meetings and advised the Board of Directors on their management activities. Besides this, Mr. Dahl is the Chairman of the Remuneration Committee, and member of the Sustainability and corporate responsibility Committee; Mr. Mettetal is the member of the Remuneration Committee, the Sustainability and corporate responsibility Committee and the Chairman of the Audit Committee.

In the 2022 financial year Mr. Dahl and Mr. Mettetal held meetings during which the main items discussed were — the remuneration of the members of the Board of Directors, the short-term incentive targets (STI) for Executive directors.

As for Mr. Mettetal, as the Chairman of the Audit Committee, he held two meetings with Mr. Van Campen and provided the Board of Directors with notification in this respect.

Mr. Dahl and Mr. Mettetal also participated in the meeting of the Sustainability and corporate responsibility Committee that considered the Sustainability Report for the first 9 months of the year 2022.

There were no irregularities in the 2022 financial year that required intervention by the Non Executive Directors.

Representations of the board of directors

A. *Representation of the Board of Directors on the Compliance of Annual Financial Statements*

Pursuant to section 9, subsections (3)(c) and (7) of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (the "Law"), we the members of the Board of Directors and others responsible for the financial statements of ASTARTA HOLDING PLC for the year ended 31 December 2022 confirm that, to the best of our knowledge:

a. The annual consolidated and separate financial statements:

i. have been prepared in accordance with the applicable set of accounting standards and in accordance with the provisions of subsection (4) above, and

ii. give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidated accounts taken as a whole and

b. the management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidated accounts as a whole, together with a description of the principal risks and uncertainties that they face.

B. Representation of the Board of Directors on Appointment of an Entity Qualified to Audit Annual Financial Statements

The Board of Directors hereby represents that PricewaterhouseCoopers Ltd which performed the audit of the statutory financial statements of the Company for the period that ended 31 December 2022, has been appointed in accordance with the applicable laws and that this entity and the accountants performing the audit met the conditions necessary to issue an impartial and independent report on the audit in accordance with the applicable provisions of law.

C. Representation of the Board of Directors Relating to the System of Internal Controls

The System of internal controls maintains internal control framework, the compliance and includes updates regarding the emergence of new risks. Internal audit provides comfort to the Board of Directors that the system of internal controls — as designed and represented by the management is adequate and effective. The internal audit has shown that the system of internal controls, focused on the financial reporting, functioned effectively over the past year. Therefore, all efforts will be made to ensure effective functioning of the system of internal controls in the next year and its continuous improvement.

Board of Directors of ASTARTA HOLDING PLC

21 April 2023

Nicosia, Cyprus

Mr. V. Ivanchyk	*signed*
Mr. H.A. Dahl	*signed*
Mr. V. Gladky	*signed*
Mr. M. Markevych	*signed*
Mr. G. Mettetal	*signed*
Mr. S.S. Perikleous	*signed*

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Howard Alan Dahl United States of America Viktor Gladky Ukraine Viktor Ivanchyk Ukraine Markiyan Markevych Canada Gilles Andre Roger Mettetal France Savvas Sotiri Perikleous Cyprus
Company Secretary:	Inter Jura CY (Services) Limited 1 Lampousas 1095 Nicosia, Cyprus
Independent Auditors:	PricewaterhouseCoopers Ltd PwC Central 43 Demostheni Severi Avenue CY-1080 Nicosia Cyprus
Registered office:	1 Lampousas 1095 Nicosia, Cyprus
Registration number:	HE 438414

Management Report

1 The Board of Directors presents its report together with the audited consolidated financial statements of the Group the separate financial statements of the Company for the year ended 31 December 2022.

Principal activities and nature of operations of the Company

2 The principal activities of the Group, which are unchanged from last year, are the sugar production, crop growing, soyabean processing and cattle farming in Ukraine. The principal activities of the Company are the holding of investments, including any interest earning activities.

Redomiciliation

3 On 06 April 2022 the Board of Directors of ASTARTA Holding N.V. adopted a resolution on the approval of the proposal of the Board to convert ASTARTA Holding N.V., a public limited company (naamloze vennootschap) governed by Dutch law, into ASTARTA HOLDING PLC, a public limited company governed by Cyprus law, i.e. by way of a cross-border migration of the registered office of the Company without its dissolution or liquidation followed by its subsequent reregistration in accordance with Cyprus law.

Changes in group structure

4 During the year there were the following changes in the Group structure took place. The Group has established two agricultural subsidiary companies in Ukraine: LLC "Chernihiv Eko Plus" and LLC "Chernihiv Agricultural Traditions". The Group does not intend to proceed with any other acquisitions, disposals or mergers.

Review of developments, position and performance of the Group's and Company's business

5 During the year ended 31 December 2022, the Group increased its turnover by 12% as a result of which its turnover amounted to UAH 17,554 million (EUR 510 millions) compared to UAH 15,631 million (EUR 491 millions), primarily driven by the increase in sales of soyabean processing products. Despite the increase in its turnover, the Group's net profit decreased by 45%, as a result of which, the Group's net profit for the year amounted to UAH 2,191 million (EUR 65 million) relative to UAH 3,399 million (EUR 122 million) for the year 2021.

6 During the year ended 31 December 2022, the Company increased its turnover by 17% as a result of which its turnover amounted to EUR 872 thousand compared to EUR 744 thousands. Despite the increase in its turnover, the Group's net profit decreased by 30%, as a result of which, the Company's net profit for the year amounted to EUR 65,164 thousand relative to EUR 122,491 thousand for the year 2021.

7 As at 31 December 2022, the Group's s total assets amounted to UAH 27,562 million (EUR 708 million) (2021: UAH 21,354 million (EUR 691 million)) and its net assets amounted to UAH 19,056 million (EUR 489 million) (2021: (UAH: 15,311 million (EUR 495 million)).

8 As at 31 December 2022, the Company's total assets and net assets amounted to EUR 489 million (2021: EUR 495 million).

9 The Group's and Company's development to date, financial results and position as presented in the consolidated and separate financial statements are considered satisfactory.

Principal risks and uncertainties

10 The principal risks and uncertainties faced by the Group and the Company are disclosed in Notes 2 and 22 and Notes 2 and 13 of the consolidated and separate financial statements respectively.

11 The operating environment has a significant impact on the Group's and Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic and military situation are difficult to predict and management's current expectations and estimates could differ from actual results.

Use of financial instruments by the Company

12 The Group's and Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

13 The Group's and Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance. Risk management is carried out by a financial department under policies approved by the Board of Directors. The financial department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Foreign exchange risk

14 The Group and the Company are exposed to currency risk on sales, purchases and loans issued that are denominated in a currency other than the respective functional currency of the Group and the Company. The currency in which these transactions primarily are denominated is U.S. dollars. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies. For more information, please refer to Notes 22 and 13 of the consolidated and separate financial statement respectively.

Credit risk

15 Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and the Company are exposed to credit risk from its operating activities (primarily for other receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. For more information, please refer to Notes 22 and 13 of the consolidated and separate financial statement respectively.

Liquidity risk

16 Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions.

Typically, the Group and the Company ensures that they have sufficient cash on demand to meet expected operating expenses for a period of 60 days. For more information, please refer to Notes 22 and 13 of the consolidated and separate financial statement respectively.

Future developments of the Company

17 The Board of Directors does not plan for any significant changes or developments in the operations, financial position and performance of the Group and the Company in the foreseeable future. However, it is monitoring the unfolding of potentially volatile external factors, like the economic and military situation, and taking appropriate actions to protect the interests of the Group and the Company.

Results

18 The Group's results for the year are set out on pages 127-134. The Company's results for the year are set out on pages 201-205. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, does not recommend the payment of a dividend and the profit for the year is retained.

Share capital

19 There were no changes in the share capital of the Company.

Treasury shares

20 There were no acquisitions of own shares of the Company in 2022. As at 31 December 2022 and 2021 the Company had 750,000 of treasury shares with total cost of EUR 6,103 thousand. Par value of each share is EUR 0.01.

Board of Directors

21 The members of the Board of Directors at 31 December 2022 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2022, except Mr. Savvas Sotiri Perikleous, who was appointed as Executive Director on 16 September 2022 and except Mr. Markiyan Markevych who was appointed as Non-Executive Director on 27 October 2022. Mr. Marc van Campen was acting as Executive Director until 16 September 2022 and Mr. Arslan Huseyin was acting as Non-Executive Director until 26 October 2022.

22 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

23 There material post balance sheet events, which have a bearing on the understanding of the consolidated and separate financial statements are disclosed in Notes 24 and 16 respectively.

Branches

24 The Group and the Company did not operate through any branches during the year.

Corporate governance report

25 The Corporate governance report is set out on pages 94 to 120.

Independent auditors

26 The Independent auditors, PricewaterhouseCoopers Limited, Cyprus were appointed during the year and have expressed their willingness to continue in office. 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

21 April 2023
Nicosia, Cyprus

Viktor Ivanchyk *(signed)*
CEO

ASTARTA HOLDING PLC

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Ukrainian hryvnias)	*Notes*	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	7 605 525	6 149 558
Right-of-use assets	*6*	3 799 228	3 619 723
Intangible assets		13 551	21 613
Biological assets	*7*	1 167 018	856 658
Long-term receivables and prepayments	*9*	7 955	22 863
Deferred tax assets		10 807	6 929
Total non-current assets		**12 604 084**	10 677 344
Current assets			
Inventories	*8*	9 510 154	7 020 675
Biological assets	*7*	1 284 184	1 281 360
Trade accounts receivable	*9*	905 513	663 074
Other accounts receivable and prepayments	*9*	2 233 289	1 344 237
Current income tax		1 867	3 410
Short-term cash deposits		3 518	6 878
Cash and cash equivalents	*10*	1 018 898	356 869
Total current assets		**14 957 423**	10 676 503
Total assets		**27 561 507**	21 353 847
EQUITY AND LIABILITIES			
Equity	*11*		
Share capital		1 663	1 663
Additional paid-in capital		369 798	369 798
Retained earnings		15 569 378	13 096 200
Revaluation surplus		2 810 847	1 521 501
Treasury shares		(137 875)	(137 875)
Currency translation reserve		442 639	459 821
Total equity		**19 056 450**	15 311 108
Non-current liabilities			
Loans and borrowings	*12*	647 742	644 890
Net assets attributable to non-controlling participants		23 191	12 852
Other long-term liabilities		1 646	5 855
Lease liability	*6*	3 110 170	2 850 501
Deferred tax liabilities	*20*	294 800	125 644
Total non-current liabilities		**4 077 549**	3 639 742
Current liabilities			
Loans and borrowings	*12*	1 623 919	245 520
Current portion of long-term loans and borrowings	*12*	431 118	299 628
Trade accounts payable		329 872	235 060
Current portion of lease liability	*6*	1 141 038	1 022 921
Current income tax		172 163	78 590
Other liabilities and accounts payable	*13*	729 398	521 278
Total current liabilities		**4 427 508**	2 402 997
Total equity and liabilities		**27 561 507**	21 353 847

On 21 April 2023 the Board of Directors of ASTARTA HOLDING PLC authorised these financial statements for issue.

_____*(signed)*____ V. Ivanchyk ____*(signed)* ____ V.Gladky

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	*Notes*	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment		**195 258**	198 869
Right-of-use assets	*6*	**97 539**	117 058
Intangible assets		**348**	699
Biological assets	*7*	**29 962**	27 703
Long-term receivables and prepayments	*9*	**204**	739
Deferred tax assets		**277**	224
Total non-current assets		**323 588**	345 292
Current assets			
Inventories	*8*	**244 156**	227 040
Biological assets	*7*	**32 969**	41 438
Trade accounts receivable	*9*	**23 247**	21 443
Other accounts receivable and prepayments	*9*	**57 337**	43 471
Current income tax		**48**	110
Short-term cash deposits		**90**	222
Cash and cash equivalents	*10*	**26 158**	11 541
Total current assets		**384 005**	345 265
Total assets		**707 593**	690 557
EQUITY AND LIABILITIES			
Equity	*11*		
Share capital		**250**	250
Additional paid-in capital		**55 638**	55 638
Retained earnings		**728 463**	650 995
Revaluation surplus		**97 057**	68 922
Treasury shares		**(6 103)**	(6 103)
Currency translation reserve		**(386 066)**	(274 560)
Total equity		**489 239**	495 142
Non-current liabilities			
Loans and borrowings	*12*	**16 630**	20 855
Net assets attributable to non-controlling participants		**595**	416
Other long-term liabilities		**42**	189
Lease liability	*6*	**79 848**	92 182
Deferred tax liabilities	*20*	**7 568**	4 063
Total non-current liabilities		**104 683**	117 705
Current liabilities			
Loans and borrowings	*12*	**41 691**	7 940
Current portion of long-term loans and borrowings	*12*	**11 068**	9 690
Trade accounts payable		**8 469**	7 602
Current portion of lease liability	*6*	**29 294**	33 080
Current income tax		**4 420**	2 541
Other liabilities and accounts payable	*13*	**18 729**	16 857
Total current liabilities		**113 671**	77 710
Total equity and liabilities		**707 593**	690 557

On 21 April 2023 the Board of Directors of ASTARTA HOLDING PLC authorised these financial statements for issue.

____*(signed)*___ V. Ivanchyk ____*(signed)* ____ V.Gladky

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Ukrainian hryvnias)	*Notes*	2022	2021
Revenues	*14*	**17 554 004**	15 631 176
Cost of revenues	*15*	**(13 021 750)**	(13 206 756)
Changes in fair value of biological assets and agricultural produce	*7*	**2 604 164**	4 655 507
Gross profit		**7 136 418**	7 079 927
Other operating income		**41 399**	103 916
General and administrative expense	*16*	**(824 452)**	(983 843)
Selling and distribution expense	*17*	**(2 359 131)**	(993 473)
Other operating expense	*18*	**(289 246)**	(323 466)
Profit from operations		**3 704 988**	4 883 061
Interest expense on lease liability	*19,6*	**(726 701)**	(671 724)
Other finance costs	*19*	**(288 955)**	(141 401)
Foreign currency exchange (loss)/gain		**(203 955)**	34 926
Finance income	*19*	**65 512**	12 133
Other income		**1 831**	81 375
Profit before tax		**2 552 720**	4 198 370
Income tax expense	*20*	**(361 370)**	(199 833)
Net profit		**2 191 350**	3 998 537
Net profit attributable to:			
Equity holders of the parent company		**2 191 350**	3 998 537
Weighted average basic shares outstanding (in thousands of shares)		**24 250**	24 298
Basic earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		**90,36**	164,56
Weighted average diluted shares outstanding (in thousands of shares)		**24 588**	24 298
Diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		**89,12**	164,56

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	*Notes*	2022	2021
Revenues	*14*	510 070	491 355
Cost of revenues	*15*	(379 888)	(415 958)
Changes in fair value of biological assets and agricultural produce	*7*	77 223	143 835
Gross profit		207 405	219 232
Other operating income		1 198	3 212
General and administrative expense	*16*	(24 113)	(30 741)
Selling and distribution expense	*17*	(66 444)	(31 475)
Other operating expense	*18*	(8 977)	(10 155)
Profit from operations		109 069	150 073
Interest expense on lease liability	*19,6*	(21 497)	(20 814)
Other finance costs	*19*	(8 223)	(4 290)
Foreign currency exchange (loss)/gain		(5 931)	1 003
Finance income	*19*	1 864	368
Other income		41	2 433
Profit before tax		75 323	128 773
Income tax expense	*20*	(10 159)	(6 282)
Net profit		65 164	122 491
Net profit attributable to:			
Equity holders of the parent company		65 164	122 491
Weighted average basic shares outstanding (in thousands of shares)		24 250	24 298
Basic earnings per share attributable to shareholders of the company from continued operations (in Euros)		2,69	5,04
Weighted average diluted shares outstanding (in thousands of shares)		24 588	24 298
Diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		2,65	5,04

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Ukrainian hryvnias)	2022	2021
Profit for the period	**2 191 350**	3 998 537
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation difference	**(17 182)**	(14 215)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(17 182)**	(14 215)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve	**1 746 810**	164
Income tax effect	**(204 791)**	(25)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**1 542 019**	139
Total other comprehensive income/(loss)	**1 524 837**	(14 076)
Total comprehensive income	**3 716 187**	3 984 461
Attributable to:		
Equity holders of the parent	**3 716 187**	3 984 461
Total comprehensive income for the year as at 31 December	**3 716 187**	3 984 461

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	2022	2021
Profit for the period	65 164	122 491
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation difference	(111 506)	47 037
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(111 506)	47 037
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve	44 839	5
Income tax effect	(5 258)	(1)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	39 581	4
Total other comprehensive income/(loss)	(71 925)	47 041
Total comprehensive (loss)/income	(6 761)	169 532
Attributable to:		
Equity holders of the parent	(6 761)	169 532
Total comprehensive income for the year as at 31 December	(6 761)	169 532

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Ukrainian hryvnias)	*Notes*	2022	2021
Operating activities			
Profit before tax		2 552 720	4 198 370
Adjustments for:			
Depreciation and amortization	*5,6*	1 566 284	1 659 822
Allowance for trade and other accounts receivable	*18*	11 733	10 986
Loss on disposal of property, plant and equipment	*18*	24 079	43 018
VAT written off	*18*	18 857	40 647
Interest income	*19*	(62 494)	(9 490)
Other finance income	*19*	(3 018)	(2 643)
Interest expense	*19*	258 070	98 107
Other finance costs	*19*	22 692	54 888
Interest expense on lease liability	*19,6*	726 701	671 724
Changes in fair value of biological assets and agricultural produce	*7*	(2 604 164)	(4 655 507)
Disposal of revaluation in agricultural produce in the cost of revenues	*15*	2 504 786	2 785 993
Recovery of assets previously written off		(39 406)	(74 890)
Net loss/(profit) attributable to non-controlling participants in limited liability company subsidiaries	*19*	8 193	(11 594)
Foreign exchange loss/(gain)		203 955	(34 926)
Working capital adjustments:			
Increase in inventories		(3 184 963)	(2 129 315)
Increase in trade and other receivables		(875 831)	(777 345)
Decrease in biological assets due to other changes		329 900	225 088
Increase/(decrease) in trade and other payables		231 896	(71 576)
Income taxes paid		(300 570)	(191 764)
Cash flows provided by operating activities		1 389 420	1 829 593
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(609 188)	(413 805)
Proceeds from disposal of property, plant and equipment		18 456	30 813
Interest received	*19*	62 494	9 490
Disposal of subsidiaries	*4*	-	250 450
Cash deposits placement		(3 518)	(5 623)
Cash deposits withdrawal		6 878	3 707
Cash flows used in investing activities		(524 878)	(124 968)
Financing activities			
Proceeds from loans and borrowings	*12*	4 014 297	2 649 200
Repayment of loans and borrowings	*12*	(3 000 405)	(3 234 986)
Dividends paid		-	(406 171)
Purchase of treasury shares		-	(18 615)
Payment of lease liabilities	*6*	(235 671)	(324 012)
Payment of interest on lease liabilities	*6*	(726 701)	(671 724)
Interest paid		(236 853)	(102 064)
Cash flows used in financing activities		(185 333)	(2 108 372)
Net increase/(decrease) in cash and cash equivalents		679 209	(403 747)
Cash and cash equivalents as at 1 January		356 869	774 831
Currency translation difference		(17 180)	(14 215)
Cash and cash equivalents as at 31 December		1 018 898	356 869

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	*Notes*	**2022**	**2021**
Operating activities			
Profit before tax		75 323	128 773
Adjustments for:			
Depreciation and amortization	*5,6*	45 702	51 386
Allowance for trade and other accounts receivable	*18*	364	345
Loss on disposal of property, plant and equipment	*18*	747	1 351
VAT written off	*18*	585	1 276
Interest income	*19*	(1 778)	(288)
Other finance income	*19*	(86)	(80)
Interest expense	*19*	7 344	2 976
Other finance costs	*19*	646	1 666
Interest expense on lease liability	*19,6*	21 497	20 814
Changes in fair value of biological assets and agricultural produce	*7*	(77 223)	(143 835)
Disposal of revaluation in agricultural produce in the cost of revenues	*15*	73 073	87 747
Recovery of assets previously written off		(1 223)	(2 315)
Net loss/(profit) attributable to non-controlling participants in limited liability company subsidiaries	*19*	233	(352)
Foreign exchange loss/(gain)		5 931	(1 003)
Working capital adjustments:			
Increase in inventories		(93 688)	(65 921)
Increase in trade and other receivables		(25 763)	(24 066)
Decrease in biological assets due to other changes		9 704	6 968
Increase/(decrease) in trade and other payables		6 821	(2 216)
Income taxes paid		(8 841)	(5 937)
Cash flows provided by operating activities		39 368	57 289
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(17 920)	(12 811)
Proceeds from disposal of property, plant and equipment		543	954
Interest received	*19*	1 778	288
Disposal of subsidiaries	*4*	-	7 611
Cash deposits placement		(103)	(174)
Cash deposits withdrawal		202	115
Cash flows used in investing activities		(15 500)	(4 017)
Financing activities			
Proceeds from loans and borrowings	*12*	118 084	82 016
Repayment of loans and borrowings	*12*	(88 259)	(100 151)
Dividends paid		-	(12 155)
Purchase of treasury shares		-	(576)
Payment of lease liabilities	*6*	(6 812)	(10 013)
Payment of interest on lease liabilities	*6*	(21 497)	(20 814)
Interest paid		(6 967)	(3 160)
Cash flows used in financing activities		(5 451)	(64 853)
Net increase/(decrease) in cash and cash equivalents		18 417	(11 581)
Cash and cash equivalents as at 1 January		11 541	22 304
Currency translation difference		(3 800)	818
Cash and cash equivalents as at 31 December		26 158	11 541

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
As at 31 December 2020	1 663	369 798	9 066 354	1 926 064	(119 260)	474 036	11 718 655
Net profit	-	-	3 998 537	-	-	-	3 998 537
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	139	-	-	139
Translation difference	-	-	-	-	-	(14 215)	(14 215)
Total other comprehensive income, net of tax	-	-	-	139	-	(14 215)	(14 076)
Total comprehensive income	-	-	3 998 537	139	-	(14 215)	3 984 461
Distribution of dividends	-	-	(406 171)	-	-	-	(406 171)
Purchase of own shares	-	-	-	-	(18 615)	-	(18 615)
Share-based incentive plans	-	-	32 778	-	-	-	32 778
Realisation of revaluation surplus, net of tax	-	-	404 702	(404 702)	-	-	-
As at 31 December 2021	**1 663**	**369 798**	**13 096 200**	**1 521 501**	**(137 875)**	**459 821**	**15 311 108**
Net profit	-	-	2 191 350	-	-	-	2 191 350
Revaluation reserve, net of tax	-	-	-	1 544 165	-	-	1 544 165
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(2 146)	-	-	(2 146)
Translation difference	-	-	-	-	-	(17 182)	(17 182)
Total other comprehensive income, net of tax	-	-	-	1 542 019	-	(17 182)	1 524 837
Total comprehensive income	-	-	2 191 350	1 542 019	-	(17 182)	3 716 187
Share-based incentive plans	-	-	29 155	-	-	-	29 155
Realisation of revaluation surplus, net of tax	-	-	252 673	(252 673)	-	-	-
As at 31 December 2022	**1 663**	**369 798**	**15 569 378**	**2 810 847**	**(137 875)**	**442 639**	**19 056 450**

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to equity holders of the parent company

(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
As at 31 December 2020	250	55 638	521 311	87 251	(5 527)	(321 597)	337 326
Net profit	-	-	122 491	-	-	-	122 491
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	4	-	-	4
Translation difference	-	-	-	-	-	47 037	47 037
Total other comprehensive income, net of tax	-	-	-	4	-	47 037	47 041
Total comprehensive income	-	-	122 491	4	-	47 037	169 532
Distribution of dividends	-	-	(12 155)	-	-	-	(12 155)
Purchase of own shares	-	-	-	-	(576)	-	(576)
Share-based incentive plans	-	-	1 015	-	-	-	1 015
Realisation of revaluation surplus, net of tax	-	-	18 333	(18 333)	-	-	-
As at 31 December 2021	**250**	**55 638**	**650 995**	**68 922**	**(6 103)**	**(274 560)**	**495 142**
Net profit	-	-	65 164	-	-	-	65 164
Revaluation reserve, net of tax	-	-	-	39 644	-	-	39 644
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(63)	-	-	(63)
Translation difference	-	-	-	-	-	(111 506)	(111 506)
Total other comprehensive income, net of tax	-	-	-	39 581	-	(111 506)	(71 925)
Total comprehensive income	-	-	65 164	39 581	-	(111 506)	(6 761)
Share-based incentive plans	-	-	858	-	-	-	858
Realisation of revaluation surplus, net of tax	-	-	11 446	(11 446)	-	-	-
As at 31 December 2022	**250**	**55 638**	**728 463**	**97 057**	**(6 103)**	**(386 066)**	**489 239**

The notes on pages 137 to 198 are an integral part of these consolidated financial statements.

1. BACKGROUND

a) Organisation and operations

These consolidated financial statements are prepared by ASTARTA HOLDING PLC (the "Company"), the Company is a Cyprus public limited company and registered under the Cyprus Companies Law, Cap. 113. The Company was incorporated as ASTARTA Holding N.V. in Amsterdam, the Netherlands, on 9 June 2006.

On 06 April 2022 the Board of Directors of ASTARTA Holding N.V. adopted a resolution on the approval of the proposal of the Board to convert ASTARTA Holding N.V., a public limited company (naamloze vennootschap) governed by Dutch law, into ASTARTA HOLDING PLC, a public limited company governed by Cyprus Companies Law, Cap. 113, i.e. by way of a cross-border migration of the registered office of the Company without its dissolution or liquidation followed by its subsequent reregistration in accordance with Cyprus Companies Law, Cap. 113.

On 16 June 2022 conversion proposal was approved on Annual General meeting of shareholders.

With effect from 16 September 2022, the Company's registered office and corporate domicile was transferred to Cyprus and the Company is registered in the Registrar of Companies in Cyprus.

On and from 16 September 2022, the Company's legal address is Lampousas 1, 1095, Nicosia, Cyprus.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA HOLDING PLC. After the contribution, ASTARTA HOLDING PLC owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.99% of the capital of LLC Firm "Astarta-Kyiv" (Astarta-Kyiv) registered in Ukraine, which in turn controls a number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred to as the "Group" or "Astarta").

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, crop growing, soybean processing and cattle farming. The croplands, sugar and soybean processing plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet and soybeans processed are also grown in-house.

The number of employees were presented as follows:

	2022	2021
operating personnel	5 181	3 533
administrative personnel	1 013	982
sales personnel	363	285
non-operating personnel	34	20
Total number of employees	**6 591**	**4 820**

b) Ukrainian business environment

The events which led to the annexation of Crimea by the Russian Federation in February 2014 and the conflict in the East of Ukraine which started in spring 2014 have not been resolved to date. On 24 February 2022 the Russian Federation started full-scale military invasion of Ukraine. Following that the Ukrainian government introduced a martial law throughout Ukraine.

Under martial law the National Bank of Ukraine ("NBU") introduced a range of temporary restrictions that had impact on the economic environment, such as restriction of cross-border payments in foreign currency, fixing the official exchange rate for USD as of 24 February 2022 at 29,25 UAH per 1 USD, suspending debit transactions from the accounts of residents of the state that carried out an armed aggression against Ukraine. On 20 July 2022 the NBU increased the official exchange rate for USD by 25% up to 36,57 UAH per 1 USD. On 3 June 2022 the NBU increased the refinancing rate from 10% up to 25%. These measures were designed to preserve the stability of the Ukrainian financial system, support the Armed Forces of Ukraine and functioning of critical infrastructure.

Inflation picked up ahead of the military invasion and continued to unfold after the Russian invasion of Ukraine on 24 February. Food and fuel experienced the highest spikes due to surging demand and disruptions in supply chains. Disrupted logistics and higher production costs along with increase in global energy prices continues to fuel inflation in Ukraine.

On 15 March 2022 the Verkhovna Rada of Ukraine (Parliament) adopted the following tax amendments in Ukraine until the end of martial law:

- Cancellation of excise duties on fuel and decrease in VAT rate for fuel imports from 20% to 7%. On 30 September 2022 the excise duties on fuel were reintroduced at EUR100 per 1000 liters except for the needs of the Ministry of Defense during the martial law;
- Annual revenue limit for applying simplified taxation system and pay a single tax increased from UAH10mn up to UAH10bn and the tax rate fixed at 2%, with no eligibility criteria on the number of employees applied;
- Landowners were exempt from paying the land tax and land leases in the areas where military hostilities were taking place or at the temporarily occupied or contaminated with military munition territories (The list of such territories was determined by the Cabinet of Ministers of Ukraine), with the period of exemption applicable from March 2022 to December 31 of the year following the year during which the martial law to be lifted;
- Transactions on voluntary transfer of any inventory, provision of services to the Armed Forces of Ukraine and territorial defense units were not taxed;
- Penalties for violating tax laws were not imposed;
- Amount of VAT paid on the value of purchased goods and services to be included in the tax credit on the basis of primary documents instead of registration of tax invoices in the Unified Register of Tax Invoices ("URTI") (Registration of tax invoices in URTI to be completed within six months after the end of martial law);
- Environmental tax on facilities located in areas of military hostilities or temporarily occupied territories was cancelled for 2022;

In March 2022 the government introduced a zero quota on exports of mineral fertilizers, cattle, cattle meat, rye, buckwheat, millet, sugar and table salt. Exports of wheat, corn, chicken meat, eggs, sunflower oil were subject to licensing. Export of gas was prohibited.

Following the Russian invasion of Ukraine the seaports became blocked and the transportation of goods by Black and Azov seas stopped. Transportation of goods continued only by railways and trucks. On 22 July 2022 Turkey, Russia, Ukraine, and the UN signed a deal to unblock three Ukrainian ports on the Black Sea to export food. On 1 August 2022 the first ship carrying Ukrainian grain left the port of Odesa for the first time since the start of the Russian invasion. Grain deal was further prolonged in November 2022 for 120 days and then in March 2023 for the next 120 days.

The Ukrainian government took various measures to support agricultural operations in Ukraine. The government approved a mechanism of state guarantees for the loans to small and medium-sized farmers.

Ukraine's economic growth depends upon resolving the Russian invasion of Ukraine, successful implementation of necessary reforms the recovery strategy by the Ukrainian government and cooperation with international donors.

The ongoing political and economic uncertainties persist due to the Russian military invasion of Ukraine in February 2022 and they continue to affect the Ukrainian economy and the Group's business.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and the requirements of the Cyprus Companies Law Cap. 113. The consolidated financial statements were authorized by the Board of Directors on 21 April 2023.

b) Going Concern

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the government of Ukraine and corresponding introduction of the related temporary restrictions that impact the economic environment. Considering the above, Astarta has assessed the going concern assumption based on which the financial statements have been prepared.

Geographical diversification of the Group's assets' location allows it to keep most of the assets apart from the regions under intense military hostilities. The assets of the Group are located in the Central part of Ukraine (the Poltava region), the Northern part of Ukraine (the Chernihiv region), the East (the Kharkiv region) and the Western part (the Khmelnytskyi, Vinnytsya, Zhytomyr and Ternopil regions). As at the date of the issue of these consolidated financial statements:

- intensive military hostilities have been localized in the regions, where Astarta does not operate its key assets;
- no critical assets preventing the Group from continuing operations have been damaged;
- no material assets have been lost or located on uncontrolled territories.

Agricultural subsidiaries of the Group perform maintenance operations to be ready for the start of spring planting.

In 2023 the Group plans to operate all of its sugar plants. The processing of sugar beets from 2021/22 agricultural season was continuing in January 2023 due to adverse weather conditions for harvesting of sugar beet.

As of the date of the issue of these consolidated financial statements, the soybean processing plant operated at its normal crushing capacity.

The management of the Group expects to continue shipments of the goods to local buyers and to nearby EU countries. In-house agricultural and office IT solutions allow Astarta to support business processes remotely under current conditions if needed. However, in case of any disruption to centralized systems, all operating subsidiaries can operate autonomously.

Astarta continues to sell crops, sugar, milk and soybean crushing products on the domestic market. Since exports by means of sea are partly limited, the Group also realises export sales via railway and using trucks.

Astarta is not trading with the entities on the Ukrainian, EU and US sanctions lists or entities associated with the individuals under those sanctions.

As at 31 December 2022 the Group was in compliance with covenants on its loans. The Group does not foresee the breach of covenants during 2023. As at 31 December 2022 management also prepared the forecast of covenants up until and covering Q1 2024. Based on this, management expects that the Group will be able to meet the covenants for the upcoming 12 months from the date of these financial statements with considerable headroom for the contracted ratios. In management's view, the sustainability of headroom will be ensured through the stable level of external long-term debt amid further improvement of market conditions given a surplus of sugar on the domestic market but Ukrainian sugar producers can freely trade with EU markets at European prices since the EU lifted import duties on sugar for Ukraine and higher sugar prices that will positively affect 2023 financial results given the current stocks of sugar. Stable level of external long-term debt will be maintained through the servicing of existing debt as per initial loan schedules. The Group repaid EUR 24 million of loans in January-March 2023. Management does not intend to attract additional long-term financing in 2023. As at 31 December 2022, The Group had EUR 42 million of undrawn bank facilities available.

As of the date of these consolidated financial statements, condition and safety of the Group's assets are not significantly affected by the military invasion by the Russian Federation and the operating, logistic processes were reassessed by the Group to ensure continuity of its business, as described above. Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared a 12 months budget based on the assumption that the degree of intensity of military hostilities in the regions where the Group's assets are located and the area of the Ukrainian territory currently invaded by the Russian troops is not largely increased; the Group is able to carry out sowing and harvesting of crops; the railway infrastructure performs its function and is used as a way of executing export sales due to limitation of seaports usage; it will be possible to operate sugar processing plants after harvesting sugar beet in 2023/24; the Group will be able to obtain export licenses for some of its agricultural products.

While the Group's operations were not largely impacted so far and management prepared its 12 months budget based on the known facts and events, there is a significant uncertainty over the future development of the Russian armed intervention, its duration and short and long-term impact on the Group, its assets, employees and operations. There might be multiple scenarios of further development with unknown likelihood, and the magnitude of the impact on the Group might vary from significant to severe. This represents a single source of material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Management is frequently assessing the current situation and making appropriate adjustments to its business operations to mitigate any affects on the Group. Based on these and other steps the Group is taking, management concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

c) Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Subsidiaries are those investees that are controlled by the Group. Control is achieved when the Group exercises, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

As at 31 December 2022 ASTARTA HOLDING PLC owns shares, directly and indirectly, in a number of subsidiaries with the following percentage of ownership:

Name of Subsidiaries:	Activity	Place of business, country	31 December 2022 % of ownership	31 December 2021 % of ownership
Ancor Investments Ltd	Trade and investment activities	Cyprus	100,00%	100,00%
LLC Firm “Astarta-Kyiv”	Asset management	Ukraine	99,99%	99,99%
LLC “APO “Tsukrovyk Poltavshchyny”	Sugar production	Ukraine	99,73%	99,73%
LLC “Agricultural company “Dovzhenko”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Agro Trade”	Trade	Ukraine	99,99%	99,99%
LLC “Agricultural company “Dobrobut”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Musievske”	Agricultural	Ukraine	99,99%	99,99%
LLC “Globinskiy processing factory”	Soybean processing	Ukraine	99,99%	99,99%
LLC “Investment company “Poltavazernoproduct”	Agricultural	Ukraine	99,99%	99,99%
LLC “List-Ruchky”	Agricultural	Ukraine	74,99%	74,99%
LLC “Agropromgaz”	Trade	Ukraine	99,97%	99,97%
LLC “Khmilnitske”	Agricultural	Ukraine	99,99%	99,99%
LLC “Volochysk-Agro”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Astarta Prykhorollia”	Agricultural	Ukraine	99,99%	99,99%
LLC “Nika”	Agricultural	Ukraine	99,99%	99,99%
LLC “Zhytnytsya Podillya”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Service”	Service	Ukraine	99,99%	99,99%
LLC "Tsukragroprom"	Sugar production	Ukraine	99,99%	99,99%
LLC "Zerno-Agrotrade"	Storage and trade	Ukraine	99,99%	99,99%
LLC "Novoorzhytskiy sugar plant"	Sugar production	Ukraine	99,99%	99,99%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	Ukraine	99,99%	99,99%
PE "TMG"	Agricultural	Ukraine	99,99%	99,99%
LLC "Eco Energy"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agri Chain"	Research and development	Ukraine	99,99%	99,99%
ALC “Narkevitskiy sugar plant”	Sugar production	Ukraine	99,99%	99,99%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine	99,99%	99,99%
Astarta Trading GmbH	Trade	Switzerland	100,00%	100,00%
LLC “Astarta Invest Service”	Land management	Ukraine	99,99%	99,99%
LLC “Astarta Agro Protein”	Soybean processing	Ukraine	99,99%	99,99%
LLC “Podil Agricultural Traditions”*	Agricultural	Ukraine	99,99%	0,00%
LLC “Chernihiv Eko Plus”**	Agricultural	Ukraine	99,99%	0,00%
LLC “Chernihiv Agricultural Traditions”**	Agricultural	Ukraine	99,99%	0,00%

Place of business of all subsidiaries has not changed since previous year.

* n 14 February 2022 the Group purchased 100% shares of LLC “Podil Agricultural Traditions” which is a non-listed company located in Ukraine with the purpose to acquire land lease rights. Purchase of this entity is recognised as an acquisition of a group of assets that doesn't constitute a business.

** In September 2022 LLC “Chernihiv Eko Plus” and LLC “Chernihiv Agricultural Traditions” were established.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

e) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machinery and equipment classified as property, plant and equipment accounted under revaluation model, biological assets at fair value less estimated costs to sell and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

f) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealised gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associate are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

g) Net assets attributable to non-controlling participants in limited liability companies

Substantially all the Group's subsidiaries are Ukrainian limited liability companies. Under Ukrainian law, a participant in a limited liability company may unilaterally withdraw from the company. In such case, the company is obliged to pay the withdrawing participant's a share of the net assets of the company not later than in 12 months from the date of the withdrawal. Redemption amount of participant's a share of the net assets of the company is assessed based on market value of net assets. Since the non-controlling participants in limited liability companies did not announce their intentions to withdraw, their interest was recognised as a non-current liability. Limited liability company's non-controlling participants' share in the net profit/loss is recorded as a finance expense.

h) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Swiss and Cypriot subsidiaries is Euro (EUR). The operating subsidiaries registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH, which is a primary presentation currency, and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realise or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purpose of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries are translated from UAH to EUR using the official closing rates at each reporting date. Components of equity are translated at the historic rate. Annual realisation of revaluation surplus is translated at historical rate. Income and expense items are translated at the average exchange rates for the quarter, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Disclosure line items are translated using annual weighted average official exchange rate. For translation of UAH figures into EUR figures for the cash flow statement the Group uses average UAH/EUR exchange rate. For the purposes of presenting financial information in UAH, assets and liabilities of the subsidiaries for which functional currency in EUR are translated from EUR to UAH using the official closing rates at each reporting date and income and expenses are translated at the official spot rates at the date of transaction.

Translation differences arising, if any, are recognised in other comprehensive income and accumulated in the Currency translation reserve.

The principal Ukrainian Hryvnia ("UAH") exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate	
	2022	2021	31 December 2022	31 December 2021
EUR	34.00	32.30	38.95	30.92
USD	32.37	27.28	36.57	27.28

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is presented as a separate line in the Consolidated Income Statement.

i) Critical accounting estimates and judgements in applying accounting policies

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital risk management — Note 11
- Sensitivity analyses disclosures
  - fair value of biological assets — Note 7
  - impairment of property, plant and equipment — Note 5
  - fair value of property, plant and equipment — Note 5

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the following financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment of property, plant and equipment

The Group and its subsidiaries are required to perform impairment tests for their assets or cash-generating units when there is indication that an asset or a cash-generating unit ("CGU") may be impaired. As of 31 December 2022, impairment test was performed.

For the purpose of impairment testing, the Group identified four cash-generating units (CGUs): sugar, agricultural, soybean processing and cattle, which includes all classes of property, plant and equipment carried at fair value and at cost model. One of the determining factors in identifying a cash-generating unit is the ability to measure independent cash flows for that unit. Within the Group's identified cash-generating units a significant proportion of their output is input to another cash-generating unit. Therefore, judgement is needed in determining a cash-generating unit.

Impairment testing is performed based on value-in-use calculation using the cash flow projection not exceeding the five-year period. Cash flow projection is based on the extrapolated actual data approved by the Group's Budget Committee, comprising CFO, CEO, Commercial Director, Head of Agricultural Production and Head of Processing of the Group and for the subsequent years - on the extrapolated forecasts based on the consumer price index.

The most recent detailed calculations of impairment for all CGUs were performed as of 31 December 2022 by an independent appraiser, since the impairment test is an integral part of valuation of property, plant and equipment. Key assumptions made and reasonably possible changes in these assumptions are disclosed in Note 5. Judgement is required to determine principal assumptions made and the impact on the aggregate value-in-use calculation.

Fair value of biological assets

Due to the absence of an active market, the fair value of biological assets is estimated as the net present value the cash flows expected to be generated from the assets discounted at a current market-determined rate based on WACC with asset-specific adjustments. The fair value of biological assets is determined by the Group's own agricultural, sales and financial reporting experts based on production technological cards for each type of biological assets, following year's budget approved by the Group's Budget Committee and future market prices and economic outlooks. Key estimates and assumptions involved in the valuation apart from the discount rate are crop and milk yields, prices for crops, milk and meat and remaining production costs for crops and milk, and sensitivities to those are disclosed in Note 7. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement.

The Group's business by nature is highly susceptible to weather conditions planting and harvesting as well as during the time when crops are growing. Unexpected changes in weather conditions can impact the costs of production and the yields of crops, used in estimating the fair value of the biological assets, and ultimately have a significant impact on the Group's financial results. The Group continuously monitors forecasts and is taking necessary actions to minimise impact.

Fair value of agricultural produce

Management estimates the fair value of agricultural produce by reference to quoted prices in an active market. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement. In addition, costs to sell at the point of harvest are estimated and deducted from the fair value. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting. A 10% increase or decrease in crops prices as at point of harvest in 2022 would result in an increase or decrease in the value of agriculture produce of UAH 315,316 thousand (EUR 8,095 thousand) as at 31 December 2022 (31 December 2021: UAH 262,808 thousand (EUR 8,488 thousand). Potential increase or decrease in crops' price determined at the point of harvest for crops sold during the year does not impact the Group's operating profit.

Lease liabilities

Management uses the following estimates for land lease liabilities calculation:

- lease rate;
- discount rate;
- lease term.

The Group includes into lease payments used in the measurement of the land lease liability the total amount of actual variable lease payments that comprise the lease rate that vary with changes in market lease rates. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets. A 10% increase or decrease in lease payments as at 31 December 2022 would result in an increase or decrease in lease liabilities of UAH 425,121 thousand (EUR 10,914 thousand), (31 December 2021: UAH 387,342 thousand (EUR 12,526 thousand).

The lease payments are discounted using the incremental borrowing rate since the interest rate implicit in the lease could not be determined. A 10 p.p. increase in discount rate at 31 December 2022 would result in a decrease in lease liabilities of UAH 201,697 thousand (EUR 5,178 thousand), (31 December 2021: UAH 182,431 thousand (EUR 5,900 thousand). A 10 p.p. decrease in discount rate at 31 December 2022 would result in an increase in lease liabilities of UAH 219,982 thousand (EUR 5,648 thousand), (31 December 2021: UAH 199,518 thousand (EUR 6,452 thousand).

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the land lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension option is considered exercisable by the Group and is included in the measurement of assets and liabilities arising from warehouse and office premises lease. The lease term for the office premises is considered as 15 years and for the warehouses as 3 years as at each reporting date. For land lease the Group has considered an extension option as not exercisable as the long-term tenure of contracts best represents reasonably certain period of lease supported by the past history of termination of the lease agreements and expected pattern of use for the land leases.

Depreciation

Management estimates are necessary to identify the useful lives of property, plant and equipment. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and an estimated period during which the assets are expected to earn benefits for the Group. Were the estimated useful lives differ by 10% from the management's estimates, the impact on depreciation for the year ended 31 December 2022 would have to increase the latter by UAH 79,266 thousand (EUR 2,332 thousand), (31 December 2021: UAH 99,920 thousand (EUR 2,876 thousand) or decrease by UAH 76,542 thousand (EUR 2,252 thousand), (31 December 2021: UAH 93,602 thousand (EUR 2,694 thousand).

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are applied in the preparation of the consolidated financial statements:

a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of each entity at the official foreign exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate valid at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate valid at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign exchange differences arising from translation are recognised in the income statement.

b) Property, plant and equipment

Owned assets

Buildings and constructions held for production, selling and distribution or administrative purposes, machinery and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and constructions, machinery and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. The revaluations are carried out by independent appraisers.

A revaluation increase on property is recognised in other comprehensive income, except to the extent that it reverses a previous impairment recognised in the income statement. An impairment of property is recognised in the income statement, except to the extent that it reverses a previous revaluation increase recognised through other comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the buildings, and machinery and equipment sold is transferred to retained earnings.

Vehicles and other items of property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Group; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate part of production overheads.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

Uninstalled equipment comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in the construction.

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in the accounting estimate.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalized and the carrying amount of the component replaced is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognised in the income statement as expenses as incurred.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Depreciation commences when the item of property, plant and equipment is available for use. Land, assets under construction and uninstalled equipment are not depreciated.

The estimated initial useful lives are as follows:

Buildings	Up to 50 years
Constructions	Up to 50 years
Machinery and equipment	Up to 20 years
Vehicles	Up to 10 years
Other property, plant and equipment	Up to 30 years

c) Intangible assets, other than goodwill

Intangible assets, which are acquired by the Group and which have finite useful lives, consist mainly of computer software.

Software is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement in the expense category consistent with the function of an intangible asset on a straight-line basis over the estimated useful lives, normally 4 years.

The amortization period and the amortization method for intangible asset with a finite useful life are reviewed at least at each year end.

d) Leases

The Group is a party to lease contracts as a lessee for, among others:

- land plots;
- building for office space and warehouses;
- equipment.

Leases are recognised, measured and presented in line with IFRS 16 Leases.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	1 to 49
Buildings	1 to 15
Machinery	1 to 5
Motor vehicles	1 to 3

The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate as of the commencement date of the contract.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured subsequently at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate and when there is a change in the Group's assessment of whether it will exercise extension or termination option.

Each lease payment is allocated between the liability and interest expense on lease liability. Interest expense on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group has applied the cost model to right-of-use assets. The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease payments exclude variable elements which are dependent on internal and external factors such as e.g. energy usage, motor-hours limits etc. Such variable lease payments are not included in the initial measurement of the lease liability are recognised directly in the profit and loss.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and other lease that have a term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

e) Biological assets

The Group classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less accumulated depreciation and accumulated impairment losses. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets is included in the income statement line "Changes in fair value of biological assets and agricultural produce". The Group classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

f) Agricultural produce

The Group classifies harvested crops as agricultural produce. Agricultural produce is carried in the statement of financial position at lower of cost (equal to fair value at the point of harvest less cost to sell, which is considered to be the cost at that date) or net realisable value. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest is included in the income statement line "Changes in fair value of biological assets and agricultural produce".

g) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation.

Work in progress include the cost of raw materials, labour and manufacturing overheads allocated proportionately to the stage of completion of the finished goods.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognised as biological assets held at fair value less cost to sell.

h) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets – classification and subsequent measurement – business model

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Financial assets – classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified as:

- Amortised cost (AC);
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL).

Financial assets subsequently measured at amortised cost

After initial recognition such financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. After the initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss. Financial assets of the Group that are subject to expected credit loss model are represented by trade and other accounts receivable, short-term cash deposits and cash and cash equivalents. The Group measures ECL and recognises net impairment losses on financial assets at each reporting date.

The Group does not have financial assets subsequently measured at FVOCI and at FVTPL as at 31 December 2022 and 31 December 2021.

Financial assets – derecognition

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

i) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity date of three months or less and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. For details refer to Note 3(h).

k) Cash deposits

Cash deposits are held for the investment activities. For the purpose of the consolidated statement of cash flows, short-term deposits are included in the investing activities.

l) Non-current assets classified as held for sale

Non-current assets are classified in the consolidated statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction (including loss of control of a subsidiary holding the assets) within twelve months after the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year; and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets classified as held for sale in the current period's consolidated statement of financial position are not reclassified or re-presented in the comparative consolidated statement of financial position to reflect the classification at the end of the current period.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Liabilities directly associated with the disposal group that will be transferred in the disposal transaction are reclassified and presented separately in the consolidated statement of financial position.

m) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at acquired cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

n) Impairment

Financial assets

The Group measures ECL and recognises net impairment losses on financial assets at each reporting date. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, carried at cost less accumulated depreciation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss. Impairment losses are recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 2 (i)
- Property, plant and equipment — Note 5

Reversal of impairment of non-financial assets

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may be decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognised.

o) Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

p) Additional paid-in capital

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

q) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies. Currency translation difference is recognised in other comprehensive income.

r) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the income statement over the period of the borrowings using effective interest rate method.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

s) Trade accounts payable

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

t) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in the statement of other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group's income was subject to taxation in Ukraine, Cyprus, Switzerland and the Netherlands. In 2022, the Ukrainian corporate income tax (CIT) was levied at a rate of 18%. 16 subsidiaries of the Group were subject to the CIT in Ukraine for the year ended 31 December 2022 (2021:16 subsidiaries).

In 2022, the tax rates in Cyprus and the Netherlands were 12.5% and 25% (2021: 12,5% and 25%), respectively. For the Swiss subsidiary the tax rate was 12,5% (2021: 12,5%).

Deferred tax

Deferred tax is determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fixed agricultural tax

In accordance with the Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as payers of the fixed agricultural tax (FAT), provided that sales of agricultural goods of their own production accounted for more than 75% of their gross revenues for the preceding year.

The fixed agricultural tax is paid in lieu of corporate income tax, land tax, duties for special use of water sources, municipal tax, vehicle tax, duties for geological survey works and duties for trade patents. The amount of fixed agricultural tax payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer. Fixed agricultural tax is expensed as incurred.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

u) Accounting for government grants

The Ukrainian legislation provides for a number of different grants and tax benefits for companies involved in agricultural operations. There are grants and benefits established by Verkhovna Rada (the Parliament) as well as by the Ministry of Agrarian Policy, the Ministry of Finance, the State Committee of Water Industry, the customs authorities and local district administrations.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised as income on a systematic basis over the periods that the related costs, which they are intended to compensate, are expensed. To the extent the conditions attached to the grants are not met at the reporting date, the received funds are recorded in the Group's consolidated financial statements as deferred income.

Government grants related to crop production and cattle farming

According to the Law of Ukraine on Agricultural Support, all agricultural producers that apply for the subsidy must be included in the State Registry of Budget Subsidy Recipients. An agricultural producer is defined as a farm or a company that derived 75 percent of its sales over the last 12 reporting periods (months) from sales of agricultural products.

The list of subsidized agricultural products of the Group includes: sugar beet, milk and meat.

Partial compensation for finance costs and other subsidies

The Group is entitled to receive reimbursement from various government programmes for the cost of agricultural machinery manufactured in Ukraine and fertilizers produced in Ukraine. Agricultural producers are required to meet certain conditions to qualify for these subsidies.

Because interest and other subsidies are payable only when the government budget has sufficient funds, they are recognised on a cash basis, and are reflected in other operating income.

v) Revenue

Revenue is income arising in the course of the Group's ordinary activities. Revenue from sales of goods is recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from contracts with customers is recognised in the amount of transaction price net of discounts, returns and value added taxes, export duties, other similar mandatory payments. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Generally, sales are made with a credit term, which is consistent with the market practice and consequently trade receivables are classified as current assets. A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due (Note 9).

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Contract liabilities are included in other liabilities and accounts payable line item as advances from customers (Note 13).

w) Interest income

For all financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

x) Expenses

Expenses are accounted for on an accrual basis.

y) Finance cost and income

Finance costs comprise interest expenses on loans and borrowings and foreign exchange difference. All interest and other costs incurred in connection with borrowings are expensed using the effective interest method.

Finance income comprises mostly interest income on bank deposits. Interest income is recognised using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group does not apply IAS 23 Borrowing Costs to borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset measured (will be measured) at fair value:

- biological asset within the scope of IAS 41 Agriculture;
- inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.

z) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

aa) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, etc., have been eliminated for the purpose of preparing this statement. Assets and liabilities acquired as part of a business combination are included in the investing activities (net of cash acquired). Dividends paid to ordinary shareholders are included in the financing activities. Dividends received are classified as the investing activities. Interest paid is included in the financing activities. Interest received is included in the investing activities. Payments on lease liabilities – interest and principal part are included in the financing activity.

bb) New and amended standards and interpretations adopted

The following amended standards became effective from 1 January 2022, but did not have any material impact on the Group:

- Property, Plant and Equipment – Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

cc) *New and amended standards and interpretations not yet adopted*

The Group has not adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2023:

	Effective for annual period beginning on or after in EU
International Financial Reporting Standards ("IFRS")	
• IFRS 17 Insurance Contracts	1 January 2023
Amendments to existing standards and interpretations	
• Amendments to IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and • Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).	not yet endorsed*
• Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).	1 January 2023
• Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).	1 January 2023
• Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).	1 January 2023
• Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).	1 January 2023
• Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	1 January 2023
• Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and applicable for annual periods beginning on or after 1 January 2024)	not yet endorsed

* ***Amendments to IAS 1 Presentation of Financial Statements:*** These 2020 Amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments.

Under the 2022 Amendments, a covenant affects whether right to defer settlement exists at the end of the reporting period if compliance with the covenant is required on or before the end of the reporting period. These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. An entity is required to disclose information about these covenants and related information in the notes to the financial statements. The Group is currently assessing the impact of the amendments on its consolidated financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group’s consolidated financial statements.

4. DISPOSAL OF SUBSIDIARIES

In February 2021 the Group transferred control over 100% shares in LLC "Lyaschivka" for consideration of USD 3,345 thousand (approximate amount of UAH 91,611 thousand or EUR 2,784 thousand). The excess of consideration received over the net assets disposed amounting to UAH 69,785 thousand or EUR 2,121 thousand is recognised in the income statement as a gain on disposal of subsidiaries.

In February 2021 the Group disposed of 95% shares in ALC “Novoivanivskiy sugar plant” for consideration of UAH 28,500 thousand or EUR 866 thousand. The excess of the net assets disposed over consideration received amounting to UAH 3,792 thousand or EUR 115 thousand is recognised in the income statement as a loss on disposal of subsidiaries.

In March 2021 the Group disposed of 100% shares in LLC “Agrosvit Savyntsi” for consideration of UAH 63,845 thousand or EUR 1,977 thousand. The excess of consideration received over the net assets disposed amounting to UAH 52,692 thousand or EUR 1,631 thousand is recognised in the income statement as a loss on disposal of subsidiaries.

In September 2021 the Group disposed of 100% shares in LLC “Pochayna-Office” for consideration of UAH 66,531 thousand or EUR 2,060 thousand. The excess of the net assets disposed over consideration received amounting to UAH 17,434 thousand or EUR 540 thousand is recognised in the income statement as a loss on disposal of subsidiaries.

The carrying amounts of assets and liabilities as at the date of sale were as follows:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC "Lyaschiv-ka"	ALC "Novoiva-nivskiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna-Office"	LLC "Lyaschiv-ka"	ALC "Novoiva-nivskiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna -Office"
Property, plant and equipment	12 395	27 136	563	66	384	840	17	2
Investment property	-	-	-	97 478	-	-	-	3 018
Right-of-use assets	39 346	13 200	21 465	663	1 218	409	665	21
Deferred tax assets	-	-	-	232	-	-	-	7
Inventories	10 713	2 032	13 525	-	332	63	419	-
Trade accounts receivables	-	1 299	-	-	-	40	-	-
Other accounts receivable and prepayments	108	3 411	589	21 472	3	106	18	665
Cash and cash equivalents	8	1	1	27	-	-	-	1
Total assets	**62 570**	**47 079**	**36 143**	**119 938**	**1 937**	**1 458**	**1 119**	**3 714**
Other long-term liabilities	19	-	-	-	1	-	-	-
Lease liability	31 416	11 278	16 544	550	973	349	512	17
Trade accounts payable	4	-	-	12	-	-	-	-
Current portion of lease liability	9 098	2 553	8 443	116	282	79	261	4
Other liabilities and accounts payable	207	956	3	35 295	6	30	-	1 093
Total liabilities	**40 744**	**14 787**	**24 990**	**35 973**	**1 262**	**458**	**773**	**1 114**
Net assets	**21 826**	**32 292**	**11 153**	**83 965**	**675**	**1 000**	**346**	**2 600**

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC "Lyaschiv-ka"	ALC "Novoivaniv-skiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna -Office"	LLC "Lyaschiv-ka"	ALC "Novoivaniv-skiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna -Office"
Consideration received:								
Cash received	91 611	28 500	63 845	66 531	2 836	882	1 977	2 060
Total disposal consideration	**91 611**	**28 500**	**63 845**	**66 531**	**2 836**	**882**	**1 977**	**2 060**
Carrying amount of net assets sold	21 826	32 292	11 153	83 965	675	1 000	346	2 600
Gain/(loss) on sale of subsidiaries	**69 785**	**(3 792)**	**52 692**	**(17 434)**	**2 161**	**(118)**	**1 631**	**(540)**

The net cash flows generated from the sale of subsidiaries are, as follows:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC "Lyaschiv-ka"	ALC "Novoiva-nivskiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna -Office"	LLC "Lyaschiv-ka"	ALC "Novoiva-nivskiy sugar plant"	LLC "Agrosvit Savyntsi"	LLC "Pochayna-Office"
Cash received from sale of the subsidiaries	91 611	28 500	63 845	66 531	2 836	882	1 977	2 060
Cash sold as a part of subsidiaries	(8)	(1)	(1)	(27)	-	-	-	(1)
Net cash inflow from disposal	91 603	28 499	63 844	66 504	2 836	882	1 977	2 059

As subsidiaries were sold prior to 31 December 2021, the assets and liabilities classified as held for sale are no longer included in the statement of financial position.

5. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment in 2022 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2022	1 781 648	2 560 227	4 421 735	269 225	182 113	156 869	9 371 817
Additions	-	-	-	-	-	587 217	587 217
Disposals	(13 615)	(6 331)	(29 946)	(13 971)	(4 927)	-	(68 790)
Impairment	(11 361)	(5 542)	(24 808)	-	-	-	(41 711)
Elimination of depreciation	(382 277)	(573 209)	(2 825 242)	-	-	-	(3 780 728)
Fixed assets revaluation	218 326	601 508	925 275	-	-	-	1 745 109
Reversal of impairment of property, plant and equipment, net	10 126	9 940	61 051	-	-	-	81 117
Transfer from not installed equipment	20 258	72 892	368 587	12 707	8 226	(482 670)	-
Transfer between Groups	(79 443)	19 421	51 165	(64 146)	73 003	-	-
31 December 2022	1 543 662	2 678 906	2 947 817	203 815	258 415	261 416	7 894 031
Accumulated depreciation 1 January 2022	314 004	423 341	2 208 225	133 632	143 057	-	3 222 259
Depreciation charge	90 282	127 605	617 489	22 836	21 772	-	879 984
Disposals	(4 028)	(1 207)	(16 021)	(6 679)	(5 074)	-	(33 009)
Decrease due to elimination of depreciation	(382 277)	(573 209)	(2 825 242)	-	-	-	(3 780 728)
Transfer between Groups	(17 981)	23 470	15 549	(28 482)	7 444	-	-
31 December 2022	-	-	-	121 307	167 199	-	288 506
Net book value 31 December 2022	1 543 662	2 678 906	2 947 817	82 508	91 216	261 416	7 605 525

(in thousands of Euros)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2022	57 616	82 795	142 994	8 706	5 889	5 073	303 073
Additions	-	-	-	-	-	17 273	17 273
Disposals	(400)	(186)	(881)	(411)	(145)	-	(2 023)
Impairment	(317)	(155)	(693)	-	-	-	(1 165)
Elimination of depreciation	(9 814)	(14 716)	(72 533)	-	-	-	(97 063)
Fixed assets revaluation	5 605	15 443	23 755	-	-	-	44 803
Transfer from not installed equipment	596	2 144	10 842	374	242	(14 198)	-
Reversal of impairment of property, plant and equipment, net	283	277	1 704	-	-	-	2 264
Transfer between Groups	(2 336)	571	1 505	(1 887)	2 147	-	-
Currency translation difference	(11 602)	(17 397)	(31 013)	(1 549)	(1 499)	(1 437)	(64 497)
31 December 2022	39 631	68 776	75 680	5 233	6 634	6 711	202 665
Accumulated depreciation 1 January 2022	10 155	13 690	71 412	4 321	4 626	-	104 204
Depreciation charge	2 656	3 754	18 164	672	640	-	25 886
Disposals	(118)	(36)	(471)	(196)	(149)	-	(970)
Decrease due to elimination of depreciation	(9 814)	(14 716)	(72 533)	-	-	-	(97 063)
Transfer between Groups	(528)	690	457	(838)	219	-	-
Currency translation difference	(2 351)	(3 382)	(17 029)	(845)	(1 043)	-	(24 650)
31 December 2022	-	-	-	3 114	4 293	-	7 407
Net book value 31 December 2022	39 631	68 776	75 680	2 119	2 341	6 711	195 258

The movements of property, plant and equipment in 2021 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost of valuation 1 January 2021	1 771 515	2 553 358	4 282 105	188 073	176 078	91 243	9 062 372
Additions	-	-	-	-	-	496 872	496 872
Disposals	(28 656)	(17 408)	(131 606)	(5 201)	(4 556)	-	(187 427)
Transfer from not installed equipment	38 789	24 277	271 236	86 353	10 591	(431 246)	-
31 December 2021	1 781 648	2 560 227	4 421 735	269 225	182 113	156 869	9 371 817
Accumulated depreciation 1 January 2021	221 365	296 174	1 538 817	103 438	121 756	-	2 281 550
Depreciation charge	97 642	132 889	754 381	34 549	25 275	-	1 044 736
Disposals	(5 003)	(5 722)	(84 973)	(4 355)	(3 974)	-	(104 027)
31 December 2021	314 004	423 341	2 208 225	133 632	143 057	-	3 222 259
Net book value 31 December 2021	1 467 644	2 136 886	2 213 510	135 593	39 056	156 869	6 149 558

(in thousands of Euros)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost of valuation 1 January 2021	50 994	73 500	123 264	5 414	5 067	2 626	260 865
Additions	-	-	-	-	-	15 383	15 383
Disposals	(887)	(539)	(4 074)	(161)	(141)	-	(5 802)
Transfer from not installed equipment	1 201	752	8 397	2 673	328	(13 351)	-
Currency translation difference	6 308	9 082	15 407	780	635	415	32 627
31 December 2021	57 616	82 795	142 994	8 706	5 889	5 073	303 073
Accumulated depreciation 1 January 2021	6 372	8 526	44 296	2 977	3 505	-	65 676
Depreciation charge	3 023	4 114	23 355	1 070	782	-	32 344
Disposals	(155)	(177)	(2 631)	(135)	(123)	-	(3 221)
Currency translation difference	915	1 227	6 392	409	462	-	9 405
31 December 2021	10 155	13 690	71 412	4 321	4 626	-	104 204
Net book value 31 December 2021	47 461	69 105	71 582	4 385	1 263	5 073	198 869

As at 31 December 2022 the valuation of the Group's buildings, constructions, machinery and equipment was performed by an independent appraiser in accordance with International Valuation Standards. Most buildings and some machinery and equipment were valued using depreciated replacement cost approach, which is within level 3 of the fair value hierarchy. Other items of buildings, machinery and equipment and constructions were valued using market approach, which is within level 3 of the fair value hierarchy.

Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Valuation techniques consistent with the market approach use prices and other market data derived from observed transactions for the same or similar assets, for example, revenue, or EBITDA multiples.

Cost approach either determines the cost to construct the assets in their present state and considers their remaining useful life or identifies fair value as a depreciated replacement cost. Cost approach was used only in the cases where there was no possibility to use market approach.

The following factors were considered in determining the fair values of buildings under the depreciated replacement cost approach:

- the cost to construct the asset is based on the cost of the necessary materials and construction work as at the date of valuation;
- expected usage of the asset is assessed by reference to the asset's expected capacity or physical output;
- technical or commercial obsolescence arising from changes or improvements in production for the product or service output of the asset as well as physical deterioration.

The key assumption considered in determining the fair values of buildings, constructions and machines and equipment under the depreciated replacement cost and market approaches is the index of physical depreciation. If the index of physical depreciation applied to the fair values of buildings, constructions and machines and equipment determination had been 5 % higher/lower than carrying values of buildings, constructions and machines and equipment would be UAH 575,376 thousand (EUR 14,772 thousand) and UAH 546,355 thousand (EUR 14,026 thousand) lower/higher respectively.

The following sources of information were used by the independent appraiser:

- producers' price indices according to the Ukrainian bureau of statistics (http://www.ukrstat.gov.ua/), Eurostat (http://ec.europa.eu/eurostat) (for replacement costs of machinery and equipment) and Economist Intelligence Unit (EIU) (http://eiu.com), OECD-FAO (http://stats.oecd.org/), http://www.minregion.gov.ua; Inform agency APK (https://www.apk-inform.com/ru/prices);
- UPVS register, 1969 y., which is the most commonly used source of information for integrated factor of cost of construction in Ukraine for items which were constructed more than 20 years ago (for replacement costs of buildings and constructions);
- "Marshall Valuation Service», 2007, Marshall & Swift" and «ASA_Normal Useful Life», American Society of Appraisers (for physical depreciation calculation). Straight-line physical depreciation method was used;
- Research Duff&Phelps 2022 Valuation Handbook: Guide to Cost of Capital (for replacement costs of buildings and constructions);
- Publicly available market prices on open marketplaces for 2022 (for replacement cost and market cost of vehicles and specialized vehicles);
- An updated list of domestic machinery and equipment for the agro-industrial complex dated 7/03/2022 (for replacement cost and market cost of vehicles and specialized vehicles). The appraiser applied up to 10% reduction coefficient to decrease prices available at the market.

Impairment test – Assumptions and their sensitivity

The key assumptions used for impairment testing are: discount rates, selling prices and cost of production. Discount rates were estimated based on the weighted average cost of capital and comprised:

- Sugar CGU: 28.5% p.a. for a five-year period and 12.37% in the terminal period;
- Agricultural CGU: 31.2% p.a. for a five-year period and 13.78% in the terminal period;
- Soybean processing CGU: 28.5% p.a. for a five-year period and 12.37% in the terminal period;
- Cattle CGU: 31.2% p.a. for a five year period and 13.78% in the terminal period.

The discount rates in the terminal period are real discount rates (i.e. excluding the impact of inflation).

Production volume was estimated based on current production level according to the annual budget approved by the senior management. Potential increase in land, crop yields, number of cows or milk yields were not taken into account. Cost of production was estimated based on budgeted costs for the following year inflated by expected level of inflation, taking into account higher or lower inflation levels for costs directly or indirectly pegged to USD or specific indices. When determining selling prices the Group analysed available forecasts for export and domestic markets, including supply and demand forecasts and legislative restrictions on export sales. The following selling prices for five-year period were used (exchange rate for EUR as 31 December 2022 used for translation):

- Wheat – UAH 6,963 – UAH 6,266 per tonne (EUR 179 - EUR 161)
- Corn – UAH 6,203– UAH 6,966 per tonne (EUR 159 - EUR 179)
- Soybeans – UAH 15,698 – UAH 18,172 per tonne (EUR 403– EUR 467)
- Soybean oil - UAH 42,950 – UAH 58,972 per tonne (EUR 1,103 – EUR 1,514)
- Milk – UAH 13,968 – UAH 20,239 per tonne (EUR 359 – EUR 520)
- Sugar – UAH 27,200 – UAH 39,231 per tonne (EUR 698 – EUR 1,007)

For each CGU the identified recoverable amount determined with value-in-use model exceeded its carrying value as at 31 December 2022. The sensitivity analysis for key assumptions considers the impact of reasonably possible changes in key assumptions on the carrying value of property, plant and equipment at the end of the reporting period. Increase in discount rate by 1%, decrease in price by 10% and increase in cost by 10% have no impact on carrying value of property, plant and equipment and respective impairment and/or decrease of revaluation reverse at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change of the carrying value of property, plant and equipment as it is unlikely that changes in assumptions would occur in isolation of one another.

Decrease in carrying value of property, plant and equipment and respective impairment and/or decrease of revaluation reverse:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	Agriculture	*Sugar*	*Soybean processing*	*Dairy*	*Agriculture*	*Sugar*	*Soybean processing*	*Dairy*
Increase in discount rate by 1%	-	-	-	-	-	-	-	-
Decrease in price by 10%	1 394 158	1 793 255	-	-	35 794	46 040	-	-
Increase in cost by 10%	57 690	1 539 204	-	-	1 481	39 517	-	-

The impairment test conducted as at 31 December 2022 indicated that in the sugar segment the recoverable amount was UAH 2,807,596 thousand or EUR 72,082 thousand and exceeded its total carrying amount by UAH 893,493 thousand or EUR 22,939 thousand, in the cattle segment the recoverable amount was UAH 1,955,247 thousand or EUR 50,199 thousand and exceeded its total carrying amount by UAH 283,067 thousand or EUR 7,267 thousand, and in the soybean-processing segment the recoverable amount was UAH 2,216,392 thousand or EUR 56,904 thousand and exceeded its total carrying amount by UAH 1,444,741 thousand or EUR 37,092 thousand, and in the agriculture segment the recoverable amount was UAH 7,939,693 thousand or EUR 203,843 thousand and exceeded its total carrying amount by UAH 3,582,510 thousand or EUR 91,977 thousand.

Impairment of individual items of property, plant and equipment

A revaluation increase on property is recognised directly in other comprehensive income, except to the extent that it reverses a previous revaluation decrease recognised in the income statement. A revaluation decrease on property is recognised in the income statement as impairment, except to the extent that it reverses a previous revaluation increase recognised directly in other comprehensive income. As a result of revaluation as at 31 December 2022, the reversal of impairment of property, plant and equipment of UAH 39,406 thousand (EUR 1,100 thousand) was recognised within other operating expense (2021: nil).

Other matters

As at 31 December 2022, the carrying amount of the following classes of property, plant and equipment that would have been included in the consolidated financial statements had the buildings been carried at cost less any accumulated depreciation and any accumulated impairment losses was UAH 689,037 thousand or EUR 17,690 thousand (2021: UAH 723,245 thousand or EUR 21,428 thousand), machinery and equipment was UAH 1,920,892 thousand or EUR 49,316 thousand (2021: 1,859,135 thousand or EUR 53,516 thousand) and construction was UAH 1,748,847 thousand or EUR 44,899 thousand (2021: UAH 1,699,257 thousand or EUR 48,914 thousand).

In 2022 revaluation surplus of UAH 252,673 thousand or EUR 7,433 thousand (2021: UAH 404,702 thousand or EUR 11,650 thousand) was reclassified from revaluation reserve to retained earnings because it was realised through depreciation or disposal of the revalued items of property, plant and equipment.

For carrying values of property, plant and equipment pledged to secure bank loans please refer to Note 12.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

i. Amounts recognised in the consolidated statement of financial position

The balance sheet shows the following amounts relating to leases:

(in thousands of Ukrainian hryvnias)	31 December 2022	31 December 2021
Right-of-use assets		
Land	3 570 759	3 443 687
Office premises	226 956	174 510
Warehouse	1 513	1 526
	3 799 228	3 619 723
Lease liabilities		
Non-current	3 110 170	2 850 501
Current portion	1 141 038	1 022 921
	4 251 208	3 873 422

(in thousands of Euros)	31 December 2022	31 December 2021
Right-of-use assets		
Land	91 673	111 366
Office premises	5 827	5 643
Warehouse	39	49
	97 539	117 058
Lease liabilities		
Non-current	79 848	92 182
Current portion	29 294	33 080
	109 142	125 262

Movements for the right-of-use assets during the 2022 financial year were the following:

(in thousands of Ukrainian hryvnias)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2021	5 203 841	203 785	2 604	5 410 230
Accumulated depreciation	(1 760 154)	(29 275)	(1 078)	(1 790 507)
Net book value as at 31 December 2021	**3 443 687**	**174 510**	**1 526**	**3 619 723**
Additions to the right-of-use assets	829 301	71 397	1 962	902 660
Depreciation	(642 450)	(18 453)	(2 119)	(663 022)
Other changes	-	-	-	-
Disposals(1)	(59 779)	(498)	144	(60 133)
Cost of the right-of-use assets	*(224 050)*	*(1 585)*	*(2 355)*	*(227 990)*
Accumulated depreciation	*164 271*	*1 087*	*2 499*	*167 857*
Cost as at 31 December 2022	5 809 092	273 597	2 211	6 084 900
Accumulated depreciation	(2 238 333)	(46 641)	(698)	(2 285 672)
Net book value as at 31 December 2022	**3 570 759**	**226 956**	**1 513**	**3 799 228**

(in thousands of Euros)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2021	168 286	6 590	84	174 960
Accumulated depreciation	(56 920)	(947)	(35)	(57 902)
Net book value as at 31 December 2021	**111 366**	**5 643**	**49**	**117 058**
Additions to the right-of-use assets	24 395	2 100	58	26 553
Depreciation	(19 051)	(540)	(60)	(19 651)
Other changes	-	-	-	-
Currency translation differences	(23 278)	(1 361)	(13)	(24 652)
Disposals(1)	(1 759)	(15)	5	(1 769)
Cost of the right-of-use assets	*(6 591)*	*(47)*	*(69)*	*(6 707)*
Accumulated depreciation	*4 832*	*32*	*74*	*4 938*
Cost as at 31 December 2022	149 138	7 024	57	156 219
Accumulated depreciation	(57 465)	(1 197)	(18)	(58 680)
Net book value as at 31 December 2022	**91 673**	**5 827**	**39**	**97 539**

Movements for the right-of-use assets during the 2021 financial year were the following:

(in thousands of Ukrainian hryvnias)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Agriculture equipment	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2020	4 378 511	208 770	13 632	2 976	4 603 889
Accumulated depreciation	(1 317 204)	(14 503)	-	(470)	(1 332 177)
Net book value as at 31 December 2020	**3 061 307**	**194 267**	**13 632**	**2 506**	**3 271 712**
Additions to the right-of-use assets	984 940	1 594	-	962	987 496
Depreciation	(573 638)	(14 772)	-	(1 812)	(590 222)
Other changes	-	(6 579)	-	-	(6 579)
Disposals(1)	(28 922)	-	(13 632)	(130)	(42 684)
Cost of the right-of-use assets	(159 610)	-	(13 632)	(1 334)	(174 576)
Accumulated depreciation	130 688	-	-	1 204	131 892
Cost as at 31 December 2021	5 203 841	203 785	-	2 604	5 410 230
Accumulated depreciation	(1 760 154)	(29 275)	-	(1 078)	(1 790 507)
Net book value as at 31 December 2021	**3 443 687**	**174 510**	**-**	**1 526**	**3 619 723**

(in thousands of Euros)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Agriculture equipment	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2020	126 038	6 009	392	86	132 525
Accumulated depreciation	(37 916)	(417)	-	(14)	(38 347)
Net book value as at 31 December 2020	**88 122**	**5 592**	**392**	**72**	**94 178**
Additions to the right-of-use assets	30 493	49	-	30	30 572
Depreciation	(17 729)	(462)	-	(57)	(18 248)
Other changes	-	(204)	-	-	(204)
Currency translation differences	11 375	668	30	8	12 081
Disposals(1)	(895)	-	(422)	(4)	(1 321)
Cost of the right-of-use assets	(4 941)	-	(422)	(41)	(5 404)
Accumulated depreciation	4 046	-	-	37	4 083
Cost as at 31 December 2021	168 286	6 590	-	84	174 960
Accumulated depreciation	(56 920)	(947)	-	(35)	(57 902)
Net book value as at 31 December 2021	**111 366**	**5 643**	**-**	**49**	**117 058**

(1) For the year ended 31 December 2022 and 2021 the line item Disposal presented the result of cost and accumulated depreciation set off due to expiration or early termination of land lease agreements in 2022 and 2021 respectively.

Movements for the lease liabilities during the 2022 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2021	2 679 447	170 821	-	233	2 850 501
Current portion of lease liabilities at 31 December 2021	982 826	38 332	-	1 763	1 022 921
Total liabilities as at 31 December 2021	**3 662 273**	**209 153**	**-**	**1 996**	**3 873 422**
Additions to the lease liabilities	748 086	70 673	-	1 963	820 722
Interest expense on lease liability	678 968	47 671	-	62	726 701
Payment of lease liabilities	(232 619)	(542)	-	(2 510)	(235 671)
Payment of interest on lease liabilities	(678 968)	(47 671)	-	(62)	(726 701)
Payment in kind	(151 778)	-	-	-	(151 778)
Disposals	(59 709)	(544)	-	-	(60 253)
Other changes	(143)	4 909	-	-	4 766
Non-current lease liabilities at at 31 December 2022	2 879 339	230 734	-	97	3 110 170
Current portion of lease liabilities at 31 December 2022	1 086 771	52 915	-	1 352	1 141 038
Total liabilities as at 31 December 2022	**3 966 110**	**283 649**	**-**	**1 449**	**4 251 208**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2021	86 650	5 524	-	8	92 182
Current portion of lease liabilities at 31 December 2021	31 783	1 240	-	57	33 080
Total liabilities as at 31 December 2021	**118 433**	**6 764**	**-**	**65**	**125 262**
Additions to the lease liabilities	22 006	2 079	-	58	24 143
Interest expense on lease liability	20 085	1 410	-	2	21 497
Payment of lease liabilities	(6 723)	(16)	-	(73)	(6 812)
Payment of interest on lease liabilities	(20 085)	(1 410)	-	(2)	(21 497)
Payment in kind	(4 387)	-	-	-	(4 387)
Disposals	(1 756)	(16)	-	-	(1 772)
Other changes	(4)	144	-	-	140
Currency translation differences	(25 747)	(1 672)	-	(13)	(27 432)
Non-current lease liabilities at at 31 December 2022	73 922	5 924	-	2	79 848
Current portion of lease liabilities at 31 December 2022	27 900	1 359	-	35	29 294
Total liabilities as at 31 December 2022	**101 822**	**7 283**	**-**	**37**	**109 142**

Movements for the lease liabilities during the 2021 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2020	2 342 535	175 110	3 466	997	2 522 108
Current portion of lease liabilities at 31 December 2020	855 018	35 768	5 680	2 027	898 493
Total liabilities as at 31 December 2020	**3 197 553**	**210 878**	**9 146**	**3 024**	**3 420 601**
Additions to the lease liabilities	918 396	410	-	962	919 768
Interest expense on lease liability	638 306	31 823	1 287	308	671 724
Payment of lease liabilities	(305 799)	(7 285)	(9 146)	(1 782)	(324 012)
Payment of interest on lease liabilities	(638 306)	(31 823)	(1 287)	(308)	(671 724)
Payment in kind	(103 141)	-	-	-	(103 141)
Disposals	(44 736)	-	-	(208)	(44 944)
Other changes	-	5 150	-	-	5 150
Non-current lease liabilities at 31 December 2021	2 679 447	170 821	-	233	2 850 501
Current portion of lease liabilities at 31 December 2021	982 826	38 332	-	1 763	1 022 921
Total liabilities as at 31 December 2021	**3 662 273**	**209 153**	**-**	**1 996**	**3 873 422**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2020	67 431	5 040	100	29	72 600
Current portion of lease liabilities at 31 December 2020	24 612	1 030	164	58	25 864
Total liabilities as at 31 December 2020	**92 043**	**6 070**	**264**	**87**	**98 464**
Additions to the lease liabilities	28 432	13	-	30	28 475
Interest expense on lease liability	19 778	986	40	10	20 814
Payment of lease liabilities	(9 450)	(225)	(283)	(55)	(10 013)
Payment of interest on lease liabilities	(19 778)	(986)	(40)	(10)	(20 814)
Payment in kind	(3 193)	-	-	-	(3 193)
Disposals	(1 385)	-	-	(6)	(1 391)
Other changes	-	159	-	-	159
Currency translation differences	11 986	747	19	9	12 761
Non-current lease liabilities at 31 December 2021	86 650	5 524	-	8	92 182
Current portion of lease liabilities at 31 December 2021	31 783	1 240	-	57	33 080
Total liabilities as at 31 December 2021	**118 433**	**6 764**	**-**	**65**	**125 262**

ii. Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	Notes	**2022**	**2021**	**2022**	**2021**
Depreciation charge of right-of-use assets					
Land		642 450	573 638	19 051	17 729
Office premises		18 453	14 772	540	462
Warehouse		2 119	1 812	60	57
		663 022	**590 222**	**19 651**	**18 248**
Interest expense on lease liabilities (cost of disposal included)	19	726 701	671 724	21 497	20 814
Expenses relating to short-term leases (included in operating expense)		16 101	12 856	477	397
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		46 026	40 165	1 365	1 241

The total settlement for leases for 2022 was UAH 1,114,150 thousand or EUR 32,696 thousand (2021: UAH 995,736 thousand or EUR 34,020 thousand). The total amount settled in cash for 2022 was UAH 962,372 thousand or EUR 28,309 thousand (2021: UAH 892,595 thousand or EUR 30,827 thousand), including cash outflow for land lease in the amount of UAH 911,587 thousand or EUR 26,808 thousand (2021: UAH 944,105 thousand or EUR 29,228 thousand) and is classified as the financing activities in the consolidated statement of cash flows. The amount settled in kind with agricultural produce for 2022 was UAH 151,778 thousand or EUR 4,387 thousand (2021: UAH 103,141 thousand or EUR 3,193 thousand). Transfer of agricultural produce is accounted as sale and then the respective account receivables and lease liabilities are settled. Sales amount of agricultural produce is estimated on the basis of market price.

iii. The group's leasing activities

The Group leases land, office premises and warehouses for operating activities. Land lease contracts are typically made for fixed periods of 1 to 49 years. Warehouse lease contracts are typically made for fixed periods less than 12 months, management considers usage period for some warehouses of 3 years, other premises are used by the Group for current storage of finished goods and the Group has no intention to extend the lease. Lease payment associated with a short-term lease are recognised as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants and leased assets may not be used as security for borrowing purposes.

7. BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of nine months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

The following inputs and assumptions were made to determine the fair value of biological assets:

- The revenue from the crops' sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle the revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter
- The average productive life of a cow is determined based on internal statistical information
- Prices for grains, oilseeds, milk and meat are obtained from market sources as at the end of the reporting period
- Production and costs to sell are projected based on actual operating costs
- Growth in sales prices as well as in production expenses and costs to sell is assumed to be in line with forecasted consumer price index for grains, oilseeds, milk and meat in Ukraine
- The pre-tax discount rate is applied in determining the fair value of biological assets. The discount rate is based on the weighted average cost of capital at the reporting date.

The key assumptions represent management's assessment of future trends in agriculture and cattle farming business and are based on both external and internal sources of data.

The significant inputs used in the fair value measurement of the crops are as follows:

- Discount rate (31.2%) (2021: 18%)
- Average yields of crops (5.7 tonnes per hectare for winter wheat, 3.3 tonnes per hectare for rapeseeds, 55 tonnes per hectare for sugar beet, 9.3 tonnes per hectare for corn) (2021: 5.8 tonnes per hectare for winter wheat, 3.1 tonnes per hectare for rapeseeds)
- Prices of crops (UAH 6,600 per tonne for winter wheat, UAH 18,400 per tonne for rapeseeds, UAH 1,550 per tonne for sugar beet, UAH 5,590 per tonne for corn) (2021: UAH 7,084 per tonne for winter wheat, UAH 17,169 per tonne for rapeseeds)

The significant inputs used in the fair value measurement of the cattle are as follows:

- Discount rate (31.2%) (2021: 17.3%)
- Milk prices (UAH 13.84 per litre) (2021: UAH 13.00 per litre)
- Milk yield per day (24.54 litres) (2021: 22.63 litres)

Significant increases or decreases in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. An increase in the discount rate leads to a decrease in the fair value, whereas increase in prices and yields leads to an increase in fair values.

As at 31 December biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)	31 December 2022		31 December 2021	
	Units	Amount	Units	Amount
Non-current biological assets:				
Cattle	24 453	1 166 938	22 494	856 529
Other livestock		80		129
		1 167 018		856 658
Current biological assets				
Crops:	Hectares		Hectares	
Sugar beet	169	14 383	-	-
Corn	14 012	501 286	-	-
Winter wheat	42 842	474 485	55 456	1 085 621
Rapeseeds	13 798	294 030	7 493	195 739
	70 821	1 284 184	62 949	1 281 360
Total biological assets		2 451 202		2 138 018

(in thousands of Euros)	31 December 2022		31 December 2021	
	Units	Amount	Units	Amount
Non-current biological assets:				
Cattle	24 453	29 960	22 494	27 699
Other livestock		2		4
		29 962		27 703
Current biological assets				
Crops:	Hectares		Hectares	
Sugar beet	169	369	-	-
Corn	14 012	12 869	-	-
Winter wheat	42 842	12 182	55 456	35 108
Rapeseeds	13 798	7 549	7 493	6 330
	70 821	32 969	62 949	41 438
Total biological assets		62 931		69 141

The information about the output of agricultural products during the period, natural losses were not deducted:

(in tonnes)	2022	2021
Sugar beet	1 820 239	1 584 133
Corn	342 298	507 952
Winter wheat	264 549	268 280
Milk	102 211	96 656
Sunflower	91 740	76 210
Soy	116 605	94 492
Rapeseeds	18 730	23 413
Barley	730	2 131

The following table represents the changes during the years ended 31 December in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	Non-current livestock	Crops	Total
As at 1 January 2021	830 893	745 222	1 576 115
Investments into livestock and future crops	71 940	3 897 340	3 969 280
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	(46 175)	4 701 682	4 655 507
Decrease due to harvest	-	(8 062 884)	(8 062 884)
As at 31 December 2021	**856 658**	**1 281 360**	**2 138 018**
Investments into livestock and future crops	73 748	4 732 108	4 805 856
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	236 612	2 367 552	2 604 164
Decrease due to harvest	-	(7 096 836)	(7 096 836)
As at 31 December 2022	**1 167 018**	**1 284 184**	**2 451 202**

(in thousands of Euros)	Non-current livestock	Crops	Total
As at 1 January 2021	23 917	21 452	45 369
Investments into livestock and future crops	2 266	122 750	125 016
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	(1 427)	145 262	143 835
Decrease due to harvest	-	(249 108)	(249 108)
Currency translation difference	2 947	1 082	4 029
As at 31 December 2021	**27 703**	**41 438**	**69 141**
Investments into livestock and future crops	2 152	138 097	140 249
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	7 016	70 207	77 223
Decrease due to harvest	-	(210 447)	(210 447)
Currency translation difference	(6 909)	(6 326)	(13 235)
As at 31 December 2022	**29 962**	**32 969**	**62 931**

Changes in key assumptions used to estimate the fair value of biological assets would have the following effect on the fair value of biological assets and on earnings per share:

	2022			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	**326 987**	**8 395**	**13,5**	**0,35**
10% decrease in prices for milk	**(326 987)**	**(8 395)**	**(13,5)**	**(0,35)**
10% increase in milk yield	**100 755**	**2 587**	**4,1**	**0,11**
10% decrease in milk yield	**(100 755)**	**(2 587)**	**(4,1)**	**(0,11)**
10% increase in prices for crops	**257 520**	**6 611**	**10,6**	**0,27**
10% decrease in prices for crops	**(257 520)**	**(6 611)**	**(10,6)**	**(0,27)**
10% increase in yield for crops	**257 520**	**6 611**	**10,6**	**0,27**
10% decrease in yield for crops	**(257 520)**	**(6 611)**	**(10,6)**	**(0,27)**
10% increase in production costs until harvest	**(129 101)**	**(3 314)**	**(5,3)**	**(0,14)**
10% decrease in production costs until harvest	**129 101**	**3 314**	**5,3**	**0,14**
5% increase in annual consumer price index	**412 630**	**10 594**	**17,0**	**0,44**
5% decrease in annual consumer price index	**(370 145)**	**(9 503)**	**(15,2)**	**(0,39)**
1% increase in discount rate	**(27 259)**	**(700)**	**(1,1)**	**(0,03)**
1% decrease in discount rate	**27 868**	**715**	**1,1**	**0,03**

	2021			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	297 949	9 635	12,3	0,40
10% decrease in prices for milk	(297 949)	(9 635)	(12,3)	(0,40)
10% increase in milk yield	64 187	2 076	2,6	0,09
10% decrease in milk yield	(64 187)	(2 076)	(2,6)	(0,09)
10% increase in prices for crops	233 818	7 561	9,6	0,31
10% decrease in prices for crops	(233 818)	(7 561)	(9,6)	(0,31)
10% increase in yield for crops	233 818	7 561	9,6	0,31
10% decrease in yield for crops	(233 818)	(7 561)	(9,6)	(0,31)
10% increase in production costs until harvest	(102 875)	(3 327)	(4,2)	(0,14)
10% decrease in production costs until harvest	102 875	3 327	4,2	0,14
5% increase in annual consumer price index	412 630	13 344	17,0	0,55
5% decrease in annual consumer price index	(370 145)	(11 970)	(15,2)	(0,49)
1% increase in discount rate	(28 246)	(913)	(1,2)	(0,04)
1% decrease in discount rate	28 919	935	1,2	0,04

The sensitivity analyses above have been determined as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the fair value of biological assets as it is unlikely that changes in assumptions would occur in isolation of one another.

For the financial risk management regarding biological assets refer to the section Material risk factors and threats to the Group of the Directors' report.

8. INVENTORIES

Inventories as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
Finished goods:				
Agricultural produce	**3 153 161**	2 628 077	**80 952**	84 989
Sugar products	**3 737 933**	2 356 632	**95 965**	76 211
Soybean processing	**255 915**	291 556	**6 570**	9 429
Cattle farming	**1 638**	1 266	**42**	41
	7 148 647	5 277 531	**183 529**	170 670
Raw materials and consumables for:				
Agricultural produce	**631 564**	484 225	**16 214**	15 659
Cattle farming	**268 799**	180 185	**6 901**	5 827
Consumables for joint utilization	**257 994**	34 546	**6 624**	1 117
Sugar production	**124 359**	32 393	**3 193**	1 048
Other production	**55 254**	20 618	**1 419**	666
	1 337 970	751 967	**34 351**	24 317
Investments into future crops	**1 023 537**	991 177	**26 276**	32 053
	9 510 154	7 020 675	**244 156**	227 040

For carrying value of inventories pledged to secure bank loans refer to Note 12.

9. TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable, and prepayments as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Long-term receivables and prepayments				
Advances to suppliers	**6 074**	6 112	**156**	198
Other long-term receivables	**1 881**	16 751	**48**	541
	7 955	22 863	**204**	739
Current accounts receivable and prepayments				
Trade receivables	**944 922**	700 511	**24 259**	22 654
Less credit loss allowance	**(39 409)**	(37 437)	**(1 012)**	(1 211)
	905 513	663 074	**23 247**	21 443
Prepayments and other non-financial assets:				
VAT recoverable and prepaid	**1 843 422**	1 046 003	**47 328**	33 826
Advances to suppliers	**420 214**	361 442	**10 788**	11 689
Less allowance	**(98 581)**	(92 481)	**(2 531)**	(2 991)
	2 165 055	1 314 964	**55 585**	42 524
Other financial assets:				
Government bonds	**60 906**	20 427	**1 564**	661
Other receivables	**12 829**	11 186	**329**	362
Less credit loss allowance	**(5 501)**	(2 340)	**(141)**	(76)
	68 234	29 273	**1 752**	947
	2 233 289	1 344 237	**57 337**	43 471
	3 138 802	2 007 311	**80 584**	64 914

During the year ended 31 December 2022 the Group received VAT budget refund in cash amounting to UAH 108,341 thousand or EUR 3,187 thousand (2021: UAH 354,818 thousand or EUR 10,985 thousand).

Changes in credit loss allowances for trade and other accounts receivable during the year ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Balance as at 1 January	**39 777**	55 420	**1 287**	1 595
Charge in income statement	**5 538**	13 076	**172**	411
Amounts written off	**(405)**	(28 719)	**(12)**	(889)
Currency translation difference	**-**	-	**(294)**	170
Balance as at 31 December	**44 910**	39 777	**1 153**	1 287

Changes in allowances for advances to suppliers during the year ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2 022	2 021	2 022	2 021
Balance as at 1 January	**92 481**	94 655	**2 991**	2 725
Charge in income statement	**6 195**	(2 090)	**192**	(66)
Amounts written off	**(95)**	(84)	**(3)**	(3)
Currency translation difference	**-**	-	**(649)**	335
Balance as at 31 December	**98 581**	92 481	**2 531**	2 991

The ageing of trade receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	Gross 2022	Lifetime ECL 2022	Gross 2021	Lifetime ECL 2021
Not past due	**823 915**	**(8 328)**	625 621	(8 450)
Past due 1-30 days	**60 948**	**(1 106)**	43 467	(510)
Past due 31-120 days	**23 858**	**(817)**	2 593	(76)
Past due 121-365 days	**7 371**	**(328)**	10 293	(9 864)
More than one year	**28 830**	**(28 830)**	18 537	(18 537)
	944 922	**(39 409)**	700 511	(37 437)

(in thousands of Euros)	Gross 2022	Lifetime ECL 2022	Gross 2021	Lifetime ECL 2021
Not past due	**21 152**	**(215)**	20 232	(274)
Past due 1-30 days	**1 565**	**(28)**	1 406	(16)
Past due 31-120 days	**613**	**(21)**	84	(2)
Past due 121-365 days	**189**	**(8)**	333	(320)
More than one year	**740**	**(740)**	599	(599)
	24 259	**(1 012)**	22 654	(1 211)

Trade receivables that are past due relate to customers with no recent history of significant indebtness or default and hence management considers the collection as probable.

The ageing of other receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	Gross	Lifetime ECL	Gross	Lifetime ECL
	2022	2022	2021	2021
Not past due	7 079	(17)	8 159	(30)
Past due 1-30 days	21	(1)	134	(1)
Past due 31-120 days	735	(668)	533	(5)
Past due 121-365 days	2 260	(2 081)	59	(3)
More than one year	2 734	(2 734)	2 301	(2 301)
	12 829	(5 501)	11 186	(2 340)

(in thousands of Euros)	Gross	Lifetime ECL	Gross	Lifetime ECL
	2022	2022	2021	2021
Not past due	181	-	264	(1)
Past due 1-30 days	1	-	4	-
Past due 31-120 days	19	(17)	17	-
Past due 121-365 days	58	(54)	2	-
More than one year	70	(70)	75	(75)
	329	(141)	362	(76)

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Cash in banks in UAH	372 506	218 259	9 563	7 060
Cash in banks in USD	637 824	125 591	16 375	4 061
Cash in banks in PLN	3 352	2 915	86	94
Cash in banks in EUR	4 996	392	128	13
Cash in banks in CHF	24	139	1	4
Total cash in banks	1 018 702	347 296	26 153	11 232
Cash in transit in USD	-	8 849	-	286
Cash on hand in UAH	196	724	5	23
Total cash and equivalents	1 018 898	356 869	26 158	11 541

As at 31 December 2022 and 31 December 2021, cash and cash equivalents consisted of current accounts in banks and overnight deposits. As at 31 December 2022 the weighted average interest of current accounts and overnight deposits denominated in USD was 0.0% p.a., in UAH – up to 12.86% p.a. (2021: USD 0.0% p.a., UAH up to 5.2% p.a.)

The identified impairment loss arising on short-term cash deposits and cash and cash equivalents was immaterial as at 31 December 2022 and 31 December 2021. There were no significant non-cash items during the years ended 31 December 2022 and 2021 except for in-kind settlement of lease liabilities (Note 6).

11. EQUITY

Share capital

ASTARTA HOLDING PLC has one class of common shares with par value of EUR 0.01. All shares have equal voting rights. The number of authorized shares as at 31 December 2022 was 30,000 thousand (2021: 30,000 thousand) and the number of issued and fully paid-up shares was 25,000 thousand (2021: 25,000 thousand).

Shareholders structure as at 31 December is as follows:

	2022	2021
ASTARTA HOLDING PLC		
Ivanchyk family	**40,00%**	40,00%
Fairfax Financial Holdings LTD and its subsidiaries	**29,91%**	29,91%
Other shareholders	**30,09%**	30,09%
	100,00%	100,00%

As of 31 December 2022, there were two major shareholders: the family of Mr.Viktor Ivanchyk (the Founder and CEO), who owned 40.0% or 10,000,000 of total voting shares outstanding (31 December 2021: 40.0% or 10,000,000 shares), and Fairfax Financial Holdings Ltd which owned 29.9% or 7,477,676 voting shares through its subsidiaries (31 December 2021: 29.9% or 7,477,676 shares).

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Net profit attributable to equity holders of the company	**2 191 350**	3 998 537	**65 164**	122 491
Weighted average basic shares outstanding (in thousands of shares)	**24 250**	24 298	**24 250**	24 298
Basic earnings per share attributable to shareholders of the company	**90,36**	164,56	**2,69**	5,04
Weighted average diluted shares outstanding (in thousands of shares)	**24 588**	24 298	**24 588**	24 298
Diluted earnings per share attributable to shareholders of the company	**89,12**	164,56	**2,65**	5,04

The long-term incentive plan issued to management, as disclosed in Note 23, has a dilutive effect on calculation of weighted average number of shares and earnings per share.

On 28 May 2021, the annual general meeting of shareholders approved an annual dividend of EUR 0.5 per share, which were paid in full in the amount of EUR 12,155 thousand in June 2021.

Capital risk management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors seeks to maintain a balance between levels of borrowings and the capital position. The Group's capital management policy is to hold sufficient capital to cover the statutory requirements, including any additional amounts required by the regulator.

In order to achieve the overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in the absence of waivers from the bank, would permit the bank to immediately call loans and borrowings.

Consistent with its industry peers, the Group monitors capital on the basis of the gearing ratio. The objective is to maintain gearing ratio below 60%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities (including current and non-current portion as shown in the consolidated statement of financial position) less cash, cash equivalents and short-term deposits. Total capital is calculated by adding net debt to equity.

As at 31 December 2022, the gearing ratio was 24% compared to 23% a year before. The increase in gearing ratio is attributable to decrease in net debt. The gearing ratios at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Total borrowings (Note 6, 12)	**6 953 987**	5 063 460	**178 531**	163 747
Less cash, cash equivalents and short-term deposits	**(1 022 416)**	(363 747)	**(26 248)**	(11 763)
Net debt	**5 931 571**	4 699 713	**152 283**	151 984
Total equity	**19 056 450**	15 311 108	**489 239**	495 142
Total capital	**24 988 021**	20 010 821	**641 522**	647 126
Gearing ratio	**24%**	23%	**24%**	23%

There were no changes in the approach to capital management during the reporting period.

Dividend policy

The Company's policy is to pay dividends at a level consistent with the Group's growth and development plans, while maintaining a reasonable level of liquidity.

The dividend policy will, however, be reviewed from time to time and payment of any future dividends will be effectively at the discretion of the General Meeting of Shareholders by recommendation of the Board of Directors and after taking into account various factors including business prospects, future earnings, cash requirements, financial position, expansion plans and requirements of Cyprus law. In addition, payment of future dividends may only be made if shareholders' equity exceeds the sum of the paid-in share capital plus the reserves required to be maintained by law and by the Articles of Association. All shares carry equal dividend rights.

Treasury shares

As at 31 December 2022 and as at 31 December 2021, the Group held 750,000 of treasury shares with the total cost of UAH 137,875 thousand (EUR 6,103 thousand). In 2021 the Group repurchased 60,102 of treasury shares for UAH 18,615 thousand (EUR 576 thousand).

12. LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to Note 22 for more information on exposure to interest rate, foreign currency risk and information on financial risk management.

Loans and borrowings as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Long-term loans and borrowings:				
Bank loans	**650 303**	648 778	**16 696**	20 981
Transaction costs	**(2 561)**	(3 888)	**(66)**	(126)
	647 742	644 890	**16 630**	20 855
Current portion of long-term loans and borrowings:				
Bank loans	**305 759**	206 722	**7 850**	6 685
Borrowings from non-financial institutions	**127 803**	95 413	**3 281**	3 086
Transaction costs	**(2 444)**	(2 507)	**(63)**	(81)
	431 118	299 628	**11 068**	9 690
Short-term loans and borrowings:				
Bank loans	**1 623 919**	245 520	**41 691**	7 940
Transaction costs	**-**	-	**-**	-
	1 623 919	245 520	**41 691**	7 940
	2 702 779	1 190 038	**69 389**	38 485

The following table summarizes borrowings as of 31 December:

Currency	WAIR[1]	*(in thousands of Ukrainian hryvnias)* 2022	*(in thousands of Euros)* 2022
Short-term loans and borrowings and on demand:			
USD	5,92%	484 607	12 441
UAH	19,09%	1 123 200	28 836
Interest payable		16 112	414
Transaction costs		-	-
Total short-term loans and borrowings		1 623 919	41 691
Long-term loans and current portion of long-term loans and borrowings:			
USD	5,53%	1 073 300	27 555
Interest payable		10 565	272
Transaction costs		(5 005)	(129)
Total long-term loans and borrowings		1 078 860	27 698
Total loans and borrowings		2 702 779	69 389

Currency	WAIR[1]	*(in thousands of Ukrainian hryvnias)* 2021	*(in thousands of Euros)* 2021
Short-term loans and borrowings:			
USD	2,73%	245 504	7 939
Interest payable		16	1
Total short-term loans and borrowings		245 520	7 940
Long-term loans and current portion of long-term loans and borrowings:			
USD	4,55%	944 205	30 534
Interest payable		6 708	218
Transaction costs		(6 395)	(207)
Total long-term loans and borrowings		944 518	30 545
Total loans and borrowings		1 190 038	38 485

[1] WAIR represents the effective weighted average interest rate on outstanding borrowings. Loans and borrowings of the Group are exposed to fixed and floating interest rates.

As of 31 December the Group's total bank borrowings were repayable as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Total current portion repayable in one year or on demand	**1 929 678**	452 242	**49 541**	14 625
Transaction costs	**(2 444)**	(2 507)	**(63)**	(81)
Borrowings from non-financial institutions	**127 803**	95 413	**3 281**	3 086
	2 055 037	545 148	**52 759**	17 630
Due in the second year	**294 603**	205 328	**7 564**	6 641
Transaction costs	**(1 674)**	(1 922)	**(43)**	(62)
	292 929	203 406	**7 521**	6 579
Due thereafter	**355 700**	443 449	**9 132**	14 340
Transaction costs	**(887)**	(1 965)	**(23)**	(64)
	354 813	441 484	**9 109**	14 276
	2 702 779	1 190 038	**69 389**	38 485

As at 31 December 2022, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 127,803 thousand (2021: UAH 95,413 thousand) or EUR 3 million (2021: EUR 3 million) bearing an interest of 4,0% p.a.

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities:

(in thousands of Ukrainian hryvnias)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2021	**1 094 625**	**95 413**	**1 190 038**
Changes from financing cash flows			
Proceeds from loans and borrowings	4 014 297	-	**4 014 297**
Repayment of loans and borrowings	(3 000 405)	-	**(3 000 405)**
Interest paid	(231 962)	(4 891)	**(236 853)**
Total changes from financing cash flows	**781 930**	**(4 891)**	**777 039**
The effect of changes in foreign exchange rates	**444 910**	**32 722**	**477 632**
Other changes related to liability			
Interest expense	253 511	4 559	**258 070**
Total liability-related other changes	**253 511**	**4 559**	**258 070**
Balance as at 31 December 2022	**2 574 976**	**127 803**	**2 702 779**

(in thousands of Euros)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2021	**35 399**	**3 086**	**38 485**
Changes from financing cash flows			
Proceeds from loans and borrowings	118 084	-	**118 084**
Repayment of loans and borrowings	(88 259)	-	**(88 259)**
Interest paid	(6 823)	(144)	**(6 967)**
Total changes from financing cash flows	**23 002**	**(144)**	**22 858**
The effect of changes in foreign exchange rates	**12 938**	**952**	**13 890**
Other changes related to liability			
Interest expense	7 214	130	**7 344**
Total liability-related other changes	**7 214**	**130**	**7 344**
Currency translation differences	(12 445)	(743)	**(13 188)**
Balance as at 31 December 2022	**66 108**	**3 281**	**69 389**

(in thousands of Ukrainian hryvnias)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2020	**1 745 257**	**98 937**	**1 844 194**
Changes from financing cash flows			
Proceeds from loans and borrowings	2 649 200	-	**2 649 200**
Repayment of loans and borrowings	(3 234 986)	-	**(3 234 986)**
Interest paid	(97 809)	(4 255)	**(102 064)**
Total changes from financing cash flows	**(683 595)**	**(4 255)**	**(687 850)**
The effect of changes in foreign exchange rates	**(60 945)**	**(3 468)**	**(64 413)**
Other changes related to liability			
Interest expense	93 908	4 199	**98 107**
Total liability-related other changes	**93 908**	**4 199**	**98 107**
Balance as at 31 December 2021	**1 094 625**	**95 413**	**1 190 038**

(in thousands of Euros)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2020	**50 238**	**2 848**	**53 086**
Changes from financing cash flows			
Proceeds from loans and borrowings	82 016	-	**82 016**
Repayment of loans and borrowings	(100 151)	-	**(100 151)**
Interest paid	(3 028)	(132)	**(3 160)**
Total changes from financing cash flows	**(21 163)**	**(132)**	**(21 295)**
The effect of changes in foreign exchange rates	**(1 750)**	**(100)**	**(1 850)**
Other changes related to liability			
Interest expense	2 849	127	**2 976**
Total liability-related other changes	**2 849**	**127**	**2 976**
Currency translation differences	5 225	343	**5 568**
Balance as at 31 December 2021	**35 399**	**3 086**	**38 485**

Bank loans are secured as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Property, plant and equipment	**2 925 684**	1 161 873	**75 112**	37 574
Inventories	**1 239 670**	435 086	**31 826**	14 070
	4 165 354	1 596 959	**106 938**	51 644

13. OTHER LIABILITIES AND ACCOUNTS PAYABLE

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Other liabilities:				
Advances received from customers	**77 017**	122 755	**1 977**	3 970
VAT payable	**138 780**	74 523	**3 563**	2 410
	215 797	197 278	**5 540**	6 380
Other accounts payable:				
Accrual for annual bonuses	**190 441**	156 244	**4 890**	5 051
Accrual for unused vacations	**104 228**	69 517	**2 677**	2 248
Other taxes and charges payable	**50 524**	39 441	**1 298**	1 275
Salaries payable	**47 447**	27 554	**1 218**	891
Financial aid (Note 23)	**52 840**	-	**1 357**	-
Social insurance payable	**11 300**	5 959	**290**	193
Accounts payable for property, plant and equipment	**5 956**	2 586	**153**	84
Other payables	**50 865**	22 699	**1 306**	735
	513 601	324 000	**13 189**	10 477
	729 398	521 278	**18 729**	16 857

14. REVENUES

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines. Revenues for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Sugar production	**5 352 518**	5 414 370	**155 529**	170 197
Crops	**6 204 730**	5 886 830	**180 292**	185 049
Soybean processing products	**4 194 708**	2 857 199	**121 886**	89 814
Cattle farming	**1 328 767**	1 223 959	**38 610**	38 474
Other sales	**473 281**	248 818	**13 753**	7 821
	17 554 004	15 631 176	**510 070**	491 355

In 2022 46% of revenue was generated from sales to customers in Ukraine (2021: 56%).

15. COST OF REVENUES

Cost of revenues for the years ended 31 December by product is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Sugar production	**3 890 877**	3 927 841	**113 510**	123 711
Crops	**4 962 133**	5 636 672	**144 762**	177 531
Soybean processing products	**2 903 778**	2 615 543	**84 713**	82 379
Cattle farming	**921 701**	848 402	**26 889**	26 721
Other sales	**343 261**	178 298	**10 014**	5 616
	13 021 750	13 206 756	**379 888**	415 958

The Group's costs include the following expenses:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Raw materials	**6 446 996**	7 001 066	**188 080**	220 505
Professional services	**1 587 650**	1 013 898	**46 317**	31 933
Depreciation and amortization costs	**1 417 255**	1 492 418	**41 346**	47 005
Salary	**864 142**	721 892	**25 210**	22 737
Salary related charges	**200 921**	191 489	**5 862**	6 031
Gain from agriculture produce remeasurement	**2 504 786**	2 785 993	**73 073**	87 747
	13 021 750	13 206 756	**379 888**	415 958

16. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Salary and related charges	**592 943**	724 258	**17 342**	22 630
Depreciation	**76 964**	89 543	**2 251**	2 798
Professional services	**70 384**	91 248	**2 059**	2 851
Fuel and other materials	**17 802**	15 087	**521**	471
Taxes other than corporate income tax	**13 758**	12 994	**402**	406
Insurance	**8 490**	8 270	**248**	258
Other	**44 111**	42 443	**1 290**	1 327
	824 452	983 843	**24 113**	30 741

17. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Transportation	**1 652 009**	498 540	**46 528**	15 795
Storage and logistics	**441 228**	283 415	**12 427**	8 979
Salary and related charges	**123 620**	126 246	**3 482**	4 000
Depreciation	**38 746**	23 049	**1 091**	730
Fuel and other materials	**30 614**	25 902	**862**	821
Professional services	**14 151**	6 660	**399**	211
Other	**58 763**	29 661	**1 655**	939
	2 359 131	993 473	**66 444**	31 475

Significant changes in transportation routes and means of transportation due to a full-scale military invasion of Ukraine by russia lead to significant increase in transportation cost in 2022.

18. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Charity and social expenses	**115 050**	35 168	**3 571**	1 104
Other salary and related charges	**80 714**	63 858	**2 505**	2 005
Depreciation	**33 319**	54 812	**1 034**	1 721
Loss on disposal of property, plant and equipment	**24 079**	43 018	**747**	1 351
Penalties paid	**19 777**	53 498	**614**	1 680
VAT written off	**18 857**	40 647	**585**	1 276
Allowance for trade and other accounts receivable	**11 733**	10 986	**364**	345
Reversal of impairment of property, plant and equipment	**(39 406)**	-	**(1 223)**	-
Other	**25 123**	21 479	**780**	673
	289 246	323 466	**8 977**	10 155

19. FINANCE COSTS AND INCOME

Finance (costs)/income for the years ended 31 December is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Finance costs				
Interest expense				
Bank loans	**(253 511)**	(93 908)	**(7 214)**	(2 849)
Borrowings from non-financial institutions	**(4 559)**	(4 199)	**(130)**	(127)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**(8 193)**	11 594	**(233)**	352
Interest expense on lease liability	**(726 701)**	(671 724)	**(21 497)**	(20 814)
Other finance costs	**(22 692)**	(54 888)	**(646)**	(1 666)
Total finance costs	**(1 015 656)**	(813 125)	**(29 720)**	(25 104)
Finance income				
Interest income	**62 494**	9 490	**1 778**	288
Other finance income	**3 018**	2 643	**86**	80
Total finance income	**65 512**	12 133	**1 864**	368

20. INCOME TAX EXPENSE

In 2022, 11 subsidiaries elected to pay fixed agricultural tax (FAT) in lieu of other taxes (2021: 11 companies). The FAT expense is included in the cost of revenues. In 2022, 3 subsidiaries made a transition to the simplified taxation system and became single tax payers of Group III. The remaining companies were subject to the Ukrainian corporate income tax of 18% rate (2021:18%), the Dutch corporate income tax rate of 25%, the Cypriot income tax rate of 12.5% and the Swiss income tax rate of 12,5%.

As at 31 December 2022 the Group did not recognise a deferred tax asset of UAH 41,875 thousand or EUR 1,075 thousand (2021: UAH 75,285 thousand or EUR 2,435 thousand) in respect of tax losses carried forward originated at the Ukrainian subsidiaries because realisation of this asset is uncertain. There is no expiration period for these tax losses.

As at 31 December 2021 the Company did not recognise a deferred tax asset relating to tax losses of UAH 364,313 thousand or EUR 11,781 thousand originated at ASTARTA HOLDING N.V. based on the Dutch taxation rules before the migration to Cyprus since realization of this asset is uncertain. In 2021 the cumulative carried forward tax losses in the amount UAH 35,156 thousand or EUR 1,137 thousand expired for utilization. As at 31 December 2022 all cumulative carried forward tax losses of the Company expired for utilization due to the Company's migration to Cyprus.

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Current tax expenses	**397 035**	250 457	**11 162**	7 873
Deferred tax benefit	**(35 665)**	(50 624)	**(1 003)**	(1 591)
	361 370	199 833	**10 159**	6 282

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Profit before tax	**2 552 720**	4 198 370	**75 323**	128 773
including:				
Profit attributable to companies not subject to income tax	**930 070**	3 488 605	**29 706**	106 461
Profit attributable to companies subject to income tax	**1 622 650**	709 765	**45 617**	22 312
Profit before tax	**1 622 650**	709 765	**45 617**	22 312
Income tax expense at Ukrainian statutory rate of 18%	**(292 077)**	(127 758)	**(8 211)**	(4 016)
Effects of different tax rates in other countries	**12 864**	(3 464)	**362**	(109)
Non-taxable expenses	**(115 245)**	(83 224)	**(3 240)**	(2 616)
Previously unrecognised tax loss that is used to reduce tax expense	**58 380**	50 138	**1 641**	1 576
Unrecognised tax loss of current year	**(24 980)**	(35 525)	**(702)**	(1 117)
Derecognition of deferred tax asset due to changes in status of subsidiary	**(312)**	-	**(9)**	-
Income tax expense	**(361 370)**	(199 833)	**(10 159)**	(6 282)

Movements in temporary differences during the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31 December 2021	Recognised in OCI	Recognised in income statement	As at 31 December 2022
Deferred tax assets				
Property, plant and equipment - CIP	17 041	-	319	17 360
Inventories	1 657	-	(6)	1 651
Trade and other accounts receivable and prepayments	10 742	-	23 088	33 830
Offset of deferred tax assets and deferred tax liabilities	(22 511)	-	(19 523)	(42 034)
Total deferred tax assets	6 929	-	3 878	10 807
Deferred tax liabilities				
Property, plant and equipment	(148 155)	(200 943)	12 264	(336 834)
Offset of deferred tax assets and deferred tax liabilities	22 511	-	19 523	42 034
Total deferred tax liabilities	(125 644)	(200 943)	31 787	(294 800)

(in thousands of Euros)	As at 31 December 2021	Recognised in OCI	Recognised in income statement	Currency translation difference	As at 31 December 2022
Deferred tax assets					
Property, plant and equipment - CIP	551	-	9	(114)	446
Inventories	54	-	-	(12)	42
Trade and other accounts receivable and prepayments	347	-	649	(127)	869
Offset of deferred tax assets and deferred tax liabilities	(728)	-	(549)	197	(1 080)
Total deferred tax assets	224	-	109	(56)	277
Deferred tax liabilities					
Property, plant and equipment	(4 791)	(5 649)	345	1 447	(8 648)
Offset of deferred tax assets and deferred tax liabilities	728	-	549	(197)	1 080
Total deferred tax liabilities	(4 063)	(5 649)	894	1 250	(7 568)

(in thousands of Ukrainian hryvnias)	As at 31 December 2020	Recognised in OCI	Derecognition due to disposal	Recognised in income statement	As at 31 December 2021
Deferred tax assets					
Property, plant and equipment - CIP	13 333	-	(166)	3 874	17 041
Inventories	2 119	-	-	(462)	1 657
Trade and other accounts receivable and prepayments	10 010	-	-	732	10 742
Offset of deferred tax assets and deferred tax liabilities	(17 730)	-	-	(4 781)	(22 511)
Total deferred tax assets	7 732	-	(166)	(637)	6 929
Deferred tax liabilities					
Property, plant and equipment	(195 225)	656	(66)	46 480	(148 155)
Offset of deferred tax assets and deferred tax liabilities	17 730	-	-	4 781	22 511
Total deferred tax liabilities	(177 495)	656	(66)	51 261	(125 644)

(in thousands of Euros)	As at 31 December 2020	Recognised in OCI	Derecognition due to disposal	Recognised in income statement	Currency translation difference	As at 31 December 2021
Deferred tax assets						
Property, plant and equipment - CIP	384	-	(5)	122	50	551
Inventories	61	-	-	(15)	8	54
Trade and other accounts receivable and prepayments	288	-	-	23	36	347
Offset of deferred tax assets and deferred tax liabilities	(510)	-	-	(150)	(68)	(728)
Total deferred tax assets	223	-	(5)	(20)	26	224
Deferred tax liabilities						
Property, plant and equipment	(5 620)	21	(2)	1 461	(651)	(4 791)
Offset of deferred tax assets and deferred tax liabilities	510	-	-	150	68	728
Total deferred tax liabilities	(5 110)	21	(2)	1 611	(583)	(4 063)

As of 31 December 2022, deferred tax assets in the amount of UAH 10,807 thousand (EUR 277 thousand) are expected to be recovered or settled within twelve months after the reporting period (31 December 2021: UAH 6,929 thousand or EUR 224 thousand).

The Group does not recognize a deferred tax liability for all taxable temporary differences of UAH 16,671,340 thousand (EUR 428,019 thousand) associated with investments in subsidiaries as it is able to control the timing of the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

21. SEGMENT REPORTING

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

At 31 December 2022 and 2021, the group was organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar (sugar production)
- growing and selling of grain and oilseeds crops (agriculture)
- dairy cattle farming (cattle farming)
- soybean processing

Other Group operations mainly comprise of the production and sales of fodder and natural gas. Neither of these constitutes a separately reportable operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the Board of Directors. Operating profit and net profit are the main measures of segment's profit or loss that the Group uses to evaluate performance and makes decisions about the allocation of resources. The reported measures are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the financial statements.

Revenues from external customers are derived primarily from the sales of sugar, crops, soybean processing and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. The amounts of total liabilities are measured in a manner consistent with that of the consolidated financial statements. Liabilities are allocated based on the operations of the segment.

All unallocated items relate to overall Group's operating activity and may not be allocated to the identified reporting segments.

Unallocated assets mainly represent assets relating to corporate function, assets jointly used by segments and certain financial assets. Liabilities not allocated to segments are items related to corporate functions and certain financial liabilities.

The segment information for the years ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	**5 352 518**	5 414 370	**6 204 730**	5 886 830	**1 328 767**	1 223 959	**4 194 708**	2 857 199	**473 281**	248 818	**17 554 004**	15 631 176
Inter-segment revenues	-	-	**3 928 155**	3 334 980	-	-	-	-	-	-	**3 928 155**	3 334 980
Cost of revenues	**(3 890 877)**	(3 927 841)	**(4 962 133)**	(5 636 672)	**(921 701)**	(848 402)	**(2 903 778)**	(2 615 543)	**(343 261)**	(178 298)	**(13 021 750)**	(13 206 756)
Inter-segment cost of revenues	**(2 376 374)**	(1 794 088)	-	-	**(589 771)**	(583 307)	**(962 010)**	(957 585)	-	-	**(3 928 155)**	(3 334 980)
Changes in fair value of biological assets and agricultural produce	-	-	**2 367 552**	4 701 682	**236 612**	(46 175)	-	-	-	-	**2 604 164**	4 655 507
Gross profit	**1 461 641**	1 486 529	**3 610 149**	4 951 840	**643 678**	329 382	**1 290 930**	241 656	**130 020**	70 520	**7 136 418**	7 079 927
General and administrative expense	**(223 070)**	(277 376)	**(447 326)**	(532 807)	**(52 337)**	(62 713)	**(25 558)**	(24 781)	**(76 161)**	(86 166)	**(824 452)**	(983 843)
Selling and distribution expense	**(267 607)**	(258 975)	**(1 708 556)**	(630 092)	**(14 759)**	(13 999)	**(340 565)**	(72 009)	**(27 644)**	(18 398)	**(2 359 131)**	(993 473)
Other operating (expense) income	**12 237**	(64 973)	**(109 463)**	(45 168)	**(6 837)**	(8 262)	**(19 322)**	(27 143)	**(124 462)**	(74 004)	**(247 847)**	(219 550)
Profit (loss) from operations	**983 201**	885 205	**1 344 804**	3 743 773	**569 745**	244 408	**905 485**	117 723	**(98 247)**	(108 048)	**3 704 988**	4 883 061
Interest expense on lease liability	**(23 881)**	(18 833)	**(655 096)**	(620 301)	-	-	-	-	**(47 724)**	(32 590)	**(726 701)**	(671 724)
Foreign currency exchange (loss) gain	**(33 537)**	6 835	**(240 738)**	31 710	-	-	**53 388**	440	**16 932**	(4 059)	**(203 955)**	34 926
Interest expense	**(61 964)**	(19 619)	**(149 360)**	(70 593)	-	-	**(46 746)**	(7 828)	-	(67)	**(258 070)**	(98 107)
Interest income	-	-	-	-	-	-	-	-	**62 494**	9 490	**62 494**	9 490
Other (expense) income	-	-	-	-	-	-	-	-	**(26 036)**	40 724	**(26 036)**	40 724
Profit (loss) before tax	**863 819**	853 588	**299 610**	3 084 589	**569 745**	244 408	**912 127**	110 335	**(92 581)**	(94 550)	**2 552 720**	4 198 370
Taxation	-	-	-	-	-	-	-	-	**(361 370)**	(199 833)	**(361 370)**	(199 833)
Net profit (loss)	**863 819**	853 588	**299 610**	3 084 589	**569 745**	244 408	**912 127**	110 335	**(453 951)**	(294 383)	**2 191 350**	3 998 537
Consolidated total assets	**6 723 697**	4 517 709	**15 124 278**	13 262 166	**1 999 917**	1 416 716	**1 874 533**	1 377 006	**1 839 082**	780 250	**27 561 507**	21 353 847
Consolidated total liabilities	**1 344 111**	295 011	**5 936 602**	5 081 575	**4 169**	3 866	**320 055**	111 134	**900 120**	551 153	**8 505 057**	6 042 739
Other segment information:												
Depreciation and amortisation	**223 828**	261 688	**1 195 799**	1 268 067	**52 564**	36 922	**50 616**	50 114	**43 477**	43 031	**1 566 284**	1 659 822
Additions to non-current assets:												
Property, plant and equipment	**199 580**	72 437	**309 283**	359 633	**43 862**	48 072	**28 180**	12 764	**6 312**	3 966	**587 217**	496 872
Intangible assets	**458**	205	**2 661**	10 677	**335**	80	**95**	379	**1 056**	1 385	**4 605**	12 726
Right-of-use asset	**43 231**	11 018	**786 257**	974 022	-	-	-	-	**73 172**	2 456	**902 660**	987 496

The segment information for the years ended 31 December is as follows:

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	155 529	170 197	180 292	185 049	38 610	38 474	121 886	89 814	13 753	7 821	510 070	491 355
Inter-segment revenues	-	-	114 141	104 833	-	-	-	-	-	-	114 141	104 833
Cost of revenues	(113 510)	(123 711)	(144 762)	(177 531)	(26 889)	(26 721)	(84 713)	(82 379)	(10 014)	(5 616)	(379 888)	(415 958)
Inter-segment cost of revenues	(69 051)	(56 396)	-	-	(17 137)	(18 336)	(27 953)	(30 101)	-	-	(114 141)	(104 833)
Changes in fair value of biological assets and agricultural produce	-	-	70 207	145 262	7 016	(1 427)	-	-	-	-	77 223	143 835
Gross profit	42 019	46 486	105 737	152 780	18 737	10 326	37 173	7 435	3 739	2 205	207 405	219 232
General and administrative expense	(6 524)	(8 667)	(13 083)	(16 648)	(1 531)	(1 960)	(748)	(774)	(2 227)	(2 692)	(24 113)	(30 741)
Selling and distribution expense	(7 537)	(8 205)	(48 121)	(19 962)	(416)	(444)	(9 592)	(2 281)	(778)	(583)	(66 444)	(31 475)
Other operating (expense) income	263	(2 045)	(3 451)	(1 462)	(226)	(261)	(620)	(847)	(3 745)	(2 328)	(7 779)	(6 943)
Profit (loss) from operations	28 221	27 569	41 082	114 708	16 564	7 661	26 213	3 533	(3 011)	(3 398)	109 069	150 073
Interest expense on lease liability	(706)	(584)	(19 379)	(19 220)	-	-	-	-	(1 412)	(1 010)	(21 497)	(20 814)
Foreign currency exchange (loss) gain	(975)	196	(7 001)	911	-	-	1 553	13	492	(117)	(5 931)	1 003
Interest expense	(1 763)	(595)	(4 251)	(2 142)	-	-	(1 330)	(237)	-	(2)	(7 344)	(2 976)
Interest income	-	-	-	-	-	-	-	-	1 778	288	1 778	288
Other (expense) income	-	-	-	-	-	-	-	-	(752)	1 199	(752)	1 199
Profit (loss) before tax	24 777	26 586	10 451	94 257	16 564	7 661	26 436	3 309	(2 905)	(3 040)	75 323	128 773
Taxation	-	-	-	-	-	-	-	-	(10 159)	(6 282)	(10 159)	(6 282)
Net profit (loss)	24 777	26 586	10 451	94 257	16 564	7 661	26 436	3 309	(13 064)	(9 322)	65 164	122 491
Consolidated total assets	172 619	146 097	388 290	428 883	51 344	45 815	48 125	44 531	47 215	25 231	707 593	690 557
Consolidated total liabilities	34 508	9 540	152 412	164 332	107	125	8 217	3 594	23 110	17 824	218 354	195 415
Other segment information:												
Depreciation and amortisation	6 531	8 102	34 892	39 258	1 534	1 143	1 477	1 551	1 268	1 332	45 702	51 386
Additions to non-current assets:												
Property, plant and equipment	5 871	2 243	9 098	11 134	1 290	1 488	829	395	185	123	17 273	15 383
Intangible assets	13	6	78	331	10	2	3	12	31	43	135	394
Right-of-use asset	1 272	341	23 129	30 155	-	-	-	-	2 152	76	26 553	30 572

Geographic information:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Revenue from external customers				
Ukraine	**7 963 837**	8 706 217	**231 406**	273 674
European countries	**9 113 436**	5 777 532	**264 811**	181 613
incl. Switzerland	***2 611 833***	*3 944 316*	***75 893***	*123 987*
Asia	**191 647**	675 274	**5 569**	21 227
Other	**285 084**	472 153	**8 284**	14 841
	17 554 004	15 631 176	**510 070**	491 355

22. FINANCIAL RISK MANAGEMENT

a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The review includes external ratings, where available, and in some cases bank references.

Majority of customers have been transacting with the Group for over three years, and no losses are expected from non-performance by these counterparties. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers. Customers that are graded as «high risk» are placed on a restricted customer list, and future sales are made on a prepayment basis with approval of management. The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance that represents its estimate of lifetime expected credit losses in respect of trade and other receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to current and macroeconomic information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- probability that the borrower will enter bankruptcy.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2022 and 2021 there were no guarantees are outstanding.

Credit quality of financial assets

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit quality of receivables is analysed based on a provision matrix or can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Counterparties without external credit rating				
Group A	**642 507**	610 804	**16 495**	19 753
Group B	**181 408**	14 817	**4 657**	479
Gross carrying amount	**823 915**	625 621	**21 152**	20 232
Loss allowance	**(8 328)**	(8 450)	**(215)**	(274)
Carrying amount - Counterparties without external credit rating	**815 587**	617 171	**20 937**	19 958
Past due trade receivables				
Gross carrying amount	**121 007**	74 890	**3 107**	2 422
Loss allowance	**(31 081)**	(28 987)	**(797)**	(937)
Carrying amount - Past due trade receivables	**89 926**	45 903	**2 310**	1 485
	905 513	663 074	**23 247**	21 443

Group A represents existing customers (more than one year) which did not breach payment terms. Group B represents new customers (less than one year) for whom there is no recent history of defaults.

Past due trade receivables are mostly due from counterparties without external credit rating.

The information about the exposure to credit risk and ECL for trade and other receivables as at 31 December 2022 provided in Note 9.

In the year ended 31 December 2022 approximately 12% of revenues (2021: 13%) were derived from two customers. Trade receivables from these customers as at 31 December 2022 were equal to UAH 17,184 thousand or EUR 441 thousand (2021: trade receivables of UAH 98,397 thousand or EUR 3,182 thousand).

The credit quality of cash deposits by external credit rating:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Banks with external credit rating (Moody's):				
Short-term deposits				
NP	**1 518**	1 578	**39**	51
Banks without external credit rating:				
Group A	**2 000**	5 300	**51**	171
	3 518	6 878	**90**	222

The credit quality of cash and cash equivalents assessed by reference to external credit ratings:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Cash and cash equivalents				
Banks with external credit rating (Moody's):				
P-1	**631 771**	120 276	**16 220**	3 890
NP	**27 205**	38 519	**698**	1 246
Banks without external credit rating:				
Group A	**356 373**	185 586	**9 149**	6 002
Group B	**3 353**	2 915	**86**	94
Cash in transit	-	8 849	-	286
Cash on hand	**196**	724	**5**	23
	1 018 898	356 869	**26 158**	11 541

Group A represents Ukrainian banks. Group B represents non-Ukrainian banks.

The Group keeps cash and deposits mostly in the Ukrainian banks, which are subsidiaries of reputable foreign banks. In 2022 the Group continued to work with the same banks as in 2021.

The geographic location of the Group's customers is presented in the table below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Trade receivables neither past due nor impaired				
Ukraine	**383 181**	550 504	**9 837**	17 802
Switzerland	**196 579**	41 164	**5 047**	1 331
Asia	-	14 633	-	473
EU	**235 827**	8 152	**6 053**	264
USA	-	2 718	-	88
Past due trade receivables	**89 926**	45 903	**2 310**	1 485
	905 513	663 074	**23 247**	21 443

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operating expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters or military hostilities.

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including future interest payments). Trade and other payables included in the table below exclude advances received from customers.

31 December 2022

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	2 702 779	2 888 230	2 201 298	319 821	367 111	-
Lease liability	4 251 208	8 280 655	1 105 547	1 085 993	2 765 143	3 323 972
Trade and other accounts payable	441 179	441 179	439 533	1 646	-	-
Net assets attributable to non-controlling participants in limited liability companies	23 191	23 191	-	23 191	-	-
	7 418 357	11 633 255	3 746 378	1 430 651	3 132 254	3 323 972

31 December 2022

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	69 389	74 151	56 515	8 211	9 425	-
Lease liability	109 142	212 591	28 383	27 881	70 990	85 337
Trade and other accounts payable	11 327	11 327	11 285	42	-	-
Net assets attributable to non-controlling participants in limited liability companies	595	595	-	595	-	-
	190 453	298 664	96 183	36 729	80 415	85 337

31 December 2021

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	1 190 038	1 272 145	582 026	227 360	435 481	27 278
Lease liability	3 873 422	7 804 633	1 002 944	991 960	2 598 912	3 210 817
Trade and other accounts payable	266 200	266 200	260 345	4 338	1 517	-
Net assets attributable to non-controlling participants in limited liability companies	12 852	12 852	-	12 852	-	-
	5 342 512	9 355 830	1 845 315	1 236 510	3 035 910	3 238 095

31 December 2021

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	38 485	41 140	18 822	7 353	14 083	882
Lease liability	125 262	252 393	32 434	32 079	84 046	103 834
Trade and other accounts payable	8 610	8 610	8 421	140	49	-
Net assets attributable to non-controlling participants in limited liability companies	416	416	-	416	-	-
	172 773	302 559	59 677	39 988	98 178	104 716

Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Expiring within one year	**1 623 153**	2 461 115	**41 672**	79 590
Expiring beyond one year	**-**	272 782	**-**	8 821
Total undrawn borrowing facilities	**1 623 153**	2 733 897	**41 672**	88 411

d) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

e) *Currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, which is primarily the Ukrainian hryvnia. The currencies in which these transactions primarily are denominated are U.S. dollars and EUR. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies, including debt repayments, with inflows in hard currencies from exports sales.

The exposure to foreign currency risk is as follows:

(in thousands of Ukrainian hryvnias)	2022		2021	
	EUR	USD	EUR	USD
Trade accounts receivable	**61 533**	**396 221**	-	72 176
Other accounts receivable	**145**	**58 553**	-	33 841
Cash and cash equivalents	**4 996**	**637 824**	392	134 440
Bank loans	**-**	**(1 566 083)**	-	(1 196 416)
Trade accounts payable	**(104)**	**(8 993)**	(83)	(3 126)
Other liabilities and accounts payable	**(1 650)**	**(288)**	(446)	-
Net exposure	**64 920**	**(482 766)**	(137)	(959 085)

(in thousands of Euros)	2022		2021	
	EUR	USD	EUR	USD
Trade accounts receivable	1 580	10 172	-	2 334
Other accounts receivable	4	1 503	-	1 094
Cash and cash equivalents	128	16 375	13	4 347
Bank loans	-	(40 206)	-	(38 691)
Trade accounts payable	(3)	(231)	(3)	(101)
Other liabilities and accounts payable	(42)	(7)	(14)	-
Net exposure	1 667	(12 394)	(4)	(31 017)

A weakening of the Ukrainian hryvnia against the following currencies as at 31 December would have decreased pre-tax profit as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2022	2021	2022	2021
Weakening of UAH, %	10%	10%	10%	10%
EUR	6 492	(14)	167	(0)

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2022	2021	2022	2021
Weakening of UAH, %	10%	10%	10%	10%
USD	(48 277)	(95 909)	(1 239)	(3 102)

A weakening of the Ukrainian hryvnia against the EUR by 10% as at 31 December 2022 would have increased total equity by UAH 5,323 thousand or EUR 137 thousand (31 December 2021: decreased total equity by UAH 11 thousand or EUR 0.3 thousand). A weakening of the Ukrainian hryvnia against the USD by 10% as at 31 December 2022 would have decreased total equity by UAH 39,587 thousand or EUR 1,016 thousand (31 December 2021: UAH 78,645 thousand or EUR 2,543 thousand).

Strengthening of the Ukrainian hryvnia against the above currencies as at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

During the year ended 31 December 2022 the Ukrainian Hryvnia depreciated against the EUR and USD by 25,96% and 34,06% respectively (2021: appreciated against the EUR and USD by 10.99% and 3.52% respectively). As a result, during the year ended 31 December 2022 the Group recognised a net foreign exchange loss in the amount of UAH 203,955 thousand (2021: net foreign exchange gain in the amount of UAH 34,926 thousand) in the consolidated income statement.

f) *Interest rate risk*

Changes in interest rates impact primarily borrowings by changing either their fair value (fixed rate debt) or future cash flows (variable rate debt).

At 31 December the interest rate profile of interest bearing financial instruments is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	2021	2022	2021
Fixed rate instruments				
Financial liabilities	**(2 163 430)**	(690 576)	**(55 541)**	(22 331)
Variable rate instruments				
Financial liabilities	**(512 672)**	(492 738)	**(13 162)**	(15 935)

The floating interest rates reflect the real market price for the facility utilized by the Group which is often based on the 3 months and 6 months London interbank offered rate ("LIBOR") for loans nominated in US dollars. Loans and borrowings of the Group at variable rates are exposed to 3m and 6m LIBOR rates, which are due to cease in June 2023. During the year ended 31 December 2022, the management established a transition plan and management holds discussions with banks to determine the timing and benchmark for the transition. Management expects that the impact of alternative benchmark will not have material impact on the Group. Currently the Group does not use any cash flow hedges.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not have any derivatives (interest rate swaps) that designate as hedging instruments under a fair value hedge accounting model.

Sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all other variables held constant, through the impact on variable rate instruments, is as follows:

	Increase (decrease) in interest rate	*(in thousands of Ukrainian hryvnias)*		*(in thousands of Euros)*	
		2022	2021	2022	2021
Libor 3m, 6m	1,00%	**5 127**	4 927	**132**	159
Libor 3m, 6m	-1,00%	**(5 127)**	(4 927)	**(132)**	(159)

Sensitivity of the Group's equity to a reasonably possible change in interest rates, with all other variables held constant, through the impact on variable rate instruments, is as follows:

	Increase (decrease) in interest rate	*(in thousands of Ukrainian hryvnias)*		*(in thousands of Euros)*	
		2022	2021	2022	2021
Libor 3m, 6m	1,00%	4 204	4 040	108	130
Libor 3m, 6m	-1,00%	(4 204)	(4 040)	(108)	(130)

g) *Other market price risk*

The Group does not enter into commodity contracts other than to meet expected usage and sale requirements; such contracts are not settled net.

h) *Agricultural risk*

The agricultural business of the Group is exposed to significant risks associated with outbreaks of livestock diseases and loss of the crop because of unfavourable weather conditions. Epidemiological surveillance system adopted by the Group minimizes the risks associated with the disease of cattle. The loss of harvests is minimized at the expense of reseeding of damaged winter crops with spring crops and a partial harvest insurance.

i) Fair values of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. This fair value is within level 1 of fair value hierarchy. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models and are within level 2 or 3 of fair value hierarchy.

As at 31 December 2022 the fair value of the Group's borrowings with fixed interest rate approximates UAH 288,154 thousand (EUR 7,398 thousand), their carrying value amounted of UAH 427,103 thousand (EUR 10,965 thousand). As at 31 December 2021 the fair value of the Group's borrowings with fixed interest rate approximates their fair values.

As at 31 December 2022 and 2021, the carrying value of the Group's borrowings with floating interest rate and other financial instruments approximates their fair values.

j) Tax and legal matters

The Group's operations are concentrated in Ukraine. Ukrainian legislation and regulations regarding taxation and other operating matters continue to evolve as part of an economy in transition. Legislation and regulations are not always clearly written and their interpretation is subject to the opinions of local, regional and national authorities, and other governmental bodies. Instances of inconsistent opinions are not unusual.

As at 31 December 2022, management estimates that the Group has possible liabilities from exposure to other than remote tax risks of UAH 178,575 thousand or EUR 4,584 thousand (31 December 2021: UAH 60,241 thousand or EUR 1,948 thousand). These exposures primarily relate to ongoing litigations with regards to certain challenges from tax authorities, where the latter assessed the Group with additional CPT and VAT liabilities plus penalties. Management believes that based on the past history of court resolutions of similar lawsuits by the Group, it is unlikely that a significant settlement will arise out of such lawsuits and no respective provision is required in the Group's financial statements as of the reporting date.

Companies of the Group have significant controlled operations which are governed by transfer pricing rules. Such operations include export trade operations of agricultural products, as well as interest expenses and royalty. Specified operations are conducted both with related parties - non-residents, and third parties from low-taxing jurisdiction. In the absence of common methodology for transfer pricing in Ukraine, as well as established judiciary practice in the sphere of the transfer pricing, there are risks that the approach of tax authorities in the treatment of controlled operations will be different from approach applied by the companies of the Group. If the tax authorities establish failure to comply with these rules, they may demand transfer pricing adjustments. If substantial transfer pricing adjustments were upheld by the relevant Ukrainian authorities or courts and implemented, the Group's financial results could be adversely affected; however, the potential amount could not be estimated reliably. Given that the risks can materialise during seven years from the date of submission of the appropriate income tax returns.

According to Ukrainian legislation land lease agreements should be registered by state authorities. As at 31 December 2022 and 31 December 2021 the Group had a number of land lease agreements in respect of which registration procedure was not finalised. This includes both lease agreements that were not temporarily registered due to lengthy procedure of registration and which would not be registered at all. Therefore in respect of these agreements there is a risk of collusion by rivals and/or lessors to cancel the right of the Group to lease the land plots according to these agreements. Total land area leased according to unregistered agreements as at 31 December 2022 comprised 10 thousand hectares which constituted approximately 5% of the total land lease area of the Group and right-of-use assets and lease liability recognised in respect of these agreements as at 31 December 2022 comprised UAH 108,069 thousand or EUR 2,774 thousand and UAH 114,437 thousand or EUR 2,938 thousand respectively (31 December 2021: UAH 124,699 thousand or EUR 4,033 thousand and UAH 126,560 thousand or EUR 4,093 thousand).

The Group's operations and financial position will continue to be affected by Ukrainian political developments including the application of existing and future legislation and tax regulations. Management believes that the Group has complied with all regulations and paid or accrued all taxes that are applicable. In the ordinary course of business, the Group is subject to various legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of the Group's operations. Where the risk of outflow of resources is probable, the Group has accrued liabilities based on management's best estimate.

23. RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's shareholders, companies that are under control of the Group's shareholders, key management personnel and their close family members and companies that are controlled or significantly influenced by the shareholders. Prices for related party transactions are determined on a market basis.

The following table summarises transactions that had been entered into with the companies under control of one of the shareholders with significant influence over the Group for the year ended 31 December 2022:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Sales to related parties	**14 885**	9 619	**438**	298
Purchases from related parties	**59 282**	47 216	**1 744**	1 462
Cash proceeds from financial aid	**70 730**	-	**2 081**	-
Repayment of financial aid	**17 890**	-	**526**	-
Other transaction with related parties*	**4 435**	-	**130**	-

*During the year ended 31 December 2022 the Group provided non-refundable financial assistance to a related charitable foundation in amount of UAH 4,435 thousand or EUR 130 thousand.

The following tables summarise balances with the companies under control of one of the shareholders with significant influence over the Group as at 31 December 2022:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Long-term advances to suppliers	**5 971**	5 971	**153**	193
Other long-term receivables	**1 324**	1 655	**34**	54
Other receivables	**490**	319	**13**	10
Advances to suppliers	**32**	11	**1**	-
Trade accounts receivable	**7**	91	**-**	3
Amounts owed by related parties	**7 824**	8 047	**201**	260

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Borrowings from non-financial institutions	**127 803**	95 413	**3 281**	3 086
Financial aid	**52 840**	-	**1 357**	-
Trade accounts payable	**4 978**	3 090	**128**	100
Advances received from customers	**2 769**	686	**71**	22
Amounts owed to related parties	**188 390**	99 189	**4 837**	3 208

Other transactions

As at 31 December 2022, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 127,803 thousand (2021: UAH 95,413 thousand) or EUR 3,281 thousand (2021: EUR 3,086 thousand) (including interest payable) bearing an interest of 4.0% p.a.

The Group rented an office premises from the related party under control of the shareholder with significant influence over the Group and accounted for these lease agreements according IFRS 16. As at 31 December 2022, the Group had the lease liability in the amount of UAH 283,649 thousand or EUR 7,283 thousand and respective right-of-use asset in the amount of UAH 226,956 thousand or EUR 5,827 thousand (2021: UAH 209,153 thousand or EUR 6,764 thousand and UAH 174,510 thousand or EUR 5,643 thousand respectively) (Note 6). During the year ended 31 December 2022 the Group recognised a depreciation charge of right-of-use asset in the amount of UAH 18,453 thousand or EUR 540 thousand as part of the General and administrative expenses (2021: UAH 14,772 thousand or EUR 462 thousand) (Note 6 and Note 16). During the year ended 31 December 2022 the interest expense was charged in the amount of UAH 47,671 thousand or EUR 1,410 thousand (2021: UAH 31,823 thousand or EUR 986 thousand) (Note 6 and Note 19).

Management remuneration

The remuneration received by executive and non-executive Board members is specified below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Viktor Ivanchyk	**12 483**	23 738	**360**	742
Viktor Gladky	**9 770**	16 364	**276**	511
Howard Dahl	**2 350**	2 471	**75**	75
Gilles Mettetal	**1 253**	1 318	**40**	40
Marc van Campen	**1 253**	1 318	**40**	40
Arslan Huseyin	**1 263**	1 318	**40**	40
Savvas Sotiri Perikleous	-	-	-	-
Markiyan Markevych	-	-	-	-
	28 372	46 527	**831**	1 448

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totalling six persons). Mr.Marc van Campen was acting as the Executive Director until 16 September 2022. Mr. Savvas Sotiri Perikleous was acting as the Executive Director from 16 September 2022. Mr.Arslan Huseyin was acting as the Non-Executive Director until 26 October 2022. Mr.Markiyan Markevych was acting as the Non-Executive Director from 27 October 2022. Remuneration of Mr. Savvas Sotiri Perikleous and Mr. Markiyan Markevych acting in the capacity of Directors of the Group will be formalized at the next Annual General Shareholders meeting.

Executive Directors who take part in a day-to-day operating activity of the Company, are entitled to a remuneration package consisting of an annual fixed and variable remuneration. Variable remuneration comprises long-term incentives based on a share option plan and short-term incentives in the form of bonuses.

Remuneration of key management for the year ended 31 December 2022 was UAH 28,372 thousand or EUR 831 thousand (2021: UAH 46,527 thousand or EUR 1,448 thousand). This remuneration consisted of two components: fixed remuneration of UAH 28,372 thousand or EUR 831 thousand (2021: UAH 26,512 thousand or EUR 848 thousand), variable remuneration in the form of bonuses which were not accrued for Mr.Ivanchyk (2021: UAH 12,012 thousand or EUR 360 thousand) and for Mr.Gladky (2021: 8,003 thousand or EUR 240 thousand). In addition to the above expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2022 which were accrued for Mr.Ivanchyk in the amount of UAH 15,680 thousand or EUR 300 thousand (2021: UAH 19,376 thousand or EUR 600 thousand) and for Mr.Gladky in the amount of UAH 13,474 thousand or EUR 275 thousand (2021: UAH 13,402 thousand or EUR 415 thousand). The Company did not grant loans, advance payments or guarantees to the members of the Board of Directors or any family member of such persons.

In 2022 fixed remuneration accrued for Mr.Ivanchyk in the amount of UAH 12,483 thousand or EUR 360 thousand, part of which in the amount of UAH 7,791 thousand or EUR 228 thousand was transferred to a charity fund at Mr.Ivanchyk's request. This amount was included in the table above. In 2022 the fixed remuneration accrued for Mr.Gladky in the amount of UAH 9,770 thousand or EUR 276 thousand, part of which in the amount of UAH 1,073 thousand or EUR 31 thousand was transferred to a charity fund at Mr.Gladky request. This amount is included in the table above.

The accumulated balance in equity for key management personnel presented by share-based incentive plans as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2022	**2021**	**2022**	**2021**
Viktor Ivanchyk	**35 056**	19 376	**900**	600
Viktor Gladky	**26 876**	13 402	**690**	415
	61 932	32 778	**1 590**	1 015

24. EVENTS SUBSEQUENT TO THE REPORTING DATE

In February 2023 a new subsidiary ASTARTA TRADING PLC was incorporated under the Company Law, Cap. 113 as a limited liability company and registered in Nicosia, Cyprus.

ASTARTA HOLDING PLC

SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(in thousands of Euros)		31 December 2022	31 December 2021	1 January 2021
Assets				
Fixed assets				
Intangible assets		-	6	-
Financial fixed assets				
Investments in subsidiaries	*4*	487 019	493 984	331 629
Accounts receivable from subsidiary	*6*	-	-	115
		487 019	493 990	331 744
Current assets				
Receivables				
Loan granted to subsidiary	*5*	820	893	4 554
Other accounts receivable and prepayments	6	987	28	745
Cash and cash equivalents	*7*	417	240	297
		2 224	1 161	5 596
Total assets		489 243	495 151	337 340
Equity and liabilities				
Equity	8			
Share capital		250	250	250
Additional paid-in capital		55 638	55 638	55 638
Revaluation reserve		97 057	68 922	87 251
Other reserve		(386 066)	(274 560)	(321 597)
Retained earnings		728 463	650 995	521 311
Treasury shares		(6 103)	(6 103)	(5 527)
Total equity		489 239	495 142	337 326
Current liabilities				
Other liabilities		4	9	14
		4	9	14
Total equity and liabilities		489 243	495 151	337 340

On 21 April 2023 the Board of Directors of ASTARTA HOLDING PLC authorised these financial statements for issue.

___*(signed)*______ V. Ivanchyk ___*(signed)* _______ V.Gladky

The notes on pages 206 to 229 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)		2022	2021
Share in profit of participations	*4*	64 632	123 342
Royalty income	*10*	872	744
Income from services		796	-
Interest income from related parties	*11*	11	72
Operating income		66 311	124 158
Other operating expense		(1 122)	(1 753)
Operating expense		(1 122)	(1 753)
Operating profit		65 189	122 405
Other finance income		3	86
Profit before tax		65 192	122 491
Income tax expense	*12*	(28)	-
Net profit		65 164	122 491
Net profit attributable to:			
Equity holders of the parent company		65 164	122 491
Weighted average basic shares outstanding (in thousands of shares)		24 250	24 298
Basic earnings per share attributable to shareholders of the company from continued operations (in Euros)		2,69	5,04
Weighted average diluted shares outstanding (in thousands of shares)		24 588	24 298
Diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		2,65	5,04

The notes on pages 206 to 229 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	2022	2021
Net profit	**65 164**	122 491
Share in other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Translation difference	(111 506)	47 037
Share in other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(111 506)	**47 037**
Share in other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve, net of tax effect	**39 581**	-
Share in other comprehensive income not to be reclassified to profit or loss in subsequent periods	**39 581**	**-**
Total other comprehensive (loss)/income	(71 925)	47 037
Total comprehensive (loss)/income	(6 761)	169 528
Attributable to:		
Equity holders of the parent	(6 761)	169 528
Total comprehensive (loss)/income for the year ended 31 December	(6 761)	169 528

The notes on pages 206 to 229 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	*Note*	2022	2021
Operating activities			
Profit before tax		65 192	122 491
Adjustments for:			
Depreciation and amortization		6	-
Allowance for other accounts receivable	*6*	98	-
Share in profit of participations	*4*	(64 632)	(123 342)
Interest income	*10*	(11)	(72)
Foreign exchange (gain)/loss		449	687
Working capital adjustments:			
(Increase)/decrease in other receivables		(1 057)	896
Increase/(decrease) in other payables		(5)	(5)
Income taxes paid		(28)	-
Cash flows provided by operating activities		12	655
Investing activities			
Purchase of intangible asset		-	(6)
Dividends received	*4*	-	8 000
Issued loans	*5*	-	(882)
Returned loans	*5*	143	4 411
Interest received		-	479
Cash flows from investing activities		143	12 002
Financing activities			
Dividends paid	*8*	-	(12 155)
Purchase of treasury shares	*8*	-	(576)
Cash flows used in financing activities		-	(12 731)
Net increase/(decrease) in cash and cash equivalents		155	(74)
Cash and cash equivalents as at 1 January		240	297
Currency translation difference		22	17
Cash and cash equivalents as at 31 December	*7*	417	240

The notes on pages 206 to 229 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(in thousands of Euros)	Share capital	Additional paid-in capital	Revaluation reserve	Other reserves	Retained earnings	Treasury shares	Total
At 1 January 2021	250	55 638	87 251	(321 597)	521 311	(5 527)	337 326
Net profit for the year	-	-	-	-	122 491	-	122 491
Exchange rate differences	-	-	-	47 037	-	-	47 037
Total other comprehensive income, net of tax	-	-	-	47 037	-	-	47 037
Total comprehensive income	-	-	-	47 037	122 491	-	169 528
Realisation of revaluation surplus, net of tax	-	-	(18 329)	-	18 333	-	4
Purchase of own shares	-	-	-	-		(576)	(576)
Share-based incentive plans	-	-	-	-	1 015	-	1 015
Distribution of dividends	-	-	-	-	(12 155)	-	(12 155)
Total movements	-	-	(18 329)	47 037	129 684	(576)	157 816
At 31 December 2021	**250**	**55 638**	**68 922**	**(274 560)**	**650 995**	**(6 103)**	**495 142**
Net profit for the year	-	-	-	-	65 164	-	65 164
Exchange rate differences	-	-	-	(111 506)	-	-	(111 506)
Revaluation surplus, net of tax	-	-	39 581	-		-	39 581
Total other comprehensive income, net of tax	-	-	39 581	(111 506)	-	-	(71 925)
Total comprehensive income	-	-	39 581	(111 506)	65 164	-	(6 761)
Realisation of revaluation surplus, net of tax	-	-	(11 446)	-	11 446	-	-
Share-based incentive plans	-	-	-	-	858	-	858
Total movements	-	-	28 135	(111 506)	77 468	-	(5 903)
At 31 December 2022	**250**	**55 638**	**97 057**	**(386 066)**	**728 463**	**(6 103)**	**489 239**

The notes on pages 206 to 229 are an integral part of these separate financial statements.

1. GENERAL

ASTARTA HOLDING PLC (the "Company") is a Cyprus public limited company and registered under the law of Cyprus. The Company was incorporated as ASTARTA Holding N.V. in Amsterdam, the Netherlands, on 9 June 2006.

On 06 April 2022 the Board of Directors of ASTARTA Holding N.V. adopted a resolution on the approval of the proposal of the Board to convert ASTARTA Holding N.V., a public limited company (naamloze vennootschap) governed by Dutch law, into ASTARTA HOLDING PLC , a public limited company governed by Cyprus law, i.e. by way of a cross-border migration of the registered office of the Company without its dissolution or liquidation followed by its subsequent reregistration in accordance with Cyprus law.

On 16 June 2022 conversion proposal was approved on Annual General meeting of shareholders.

With effect from 16 September 2022, the Company's registered office and corporate domicile was transferred to Cyprus and the Company is registered in the Registrar of Companies in Cyprus.

On and from 16 September 2022, the Company's legal address is Lampousas street 1, 1095 P.C., Nicosia, Cyprus.

ASTARTA HOLDING PLC and its subsidiaries are referred to as the "Astarta" or the "Group". The shares of the Company are listed and trading on the Warsaw Stock Exchange (WSE).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The Company is required to by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a public company as defined by the Law and the Company issues consolidated financial statements for the year ended 31 December 2022 together with these Company separate financial statements for the year ended 31 December 2022.

The accounting policies adopted in preparing the separate financial statements of the Company are consistent with those adopted in preparing the consolidated financial statements of the Group, a summary of which is presented in Note 2 of the consolidated financial statements of the Group for the year ended 31 December 2022.

Going concern

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the government of Ukraine and corresponding introduction of the related temporary restrictions that impact the economic environment. Considering the above, the Company has assessed the going concern assumption based on which the financial statements have been prepared.

Geographical diversification of the Group's assets' location allows it to keep most of the assets apart from the regions under intense military hostilities. The assets of the Group are located in the Central part of Ukraine (the Poltava region), the Northern part of Ukraine (the Chernihiv region), the East (the Kharkiv region) and the Western part (the Khmelnytskyi, Vinnytsya, Zhytomyr and Ternopil regions). As at the date of the issue of these separate financial statements:

- intensive military hostilities have been localized in the regions, where Astarta does not operate its key assets;
- no critical assets preventing the Group from continuing operations have been damaged;
- no material assets have been lost or located on uncontrolled territories.

Agricultural subsidiaries of the Group perform maintenance operations to be ready for the start of spring planting.

In 2023 the Group plans to operate all of its sugar plants. The processing of sugar beets from 2021/22 agricultural season was continuing in January 2023 due to adverse weather conditions for harvesting of sugar beet.

As of the date of the issue of these separate financial statements, the soybean processing plant operated at its normal crushing capacity.

The management of the Group expects to continue shipments to local buyers and to nearby EU countries. In-house agricultural and office IT solutions allow Astarta to support business processes remotely under current conditions if needed. However, in case of any disruption to centralized systems, all operating subsidiaries can operate autonomously.

Astarta continues to sell crops, sugar, milk and soybean crushing products on the domestic market. Since exports by means of sea are partly limited, the Group also realises export sales via railway and using trucks.

Astarta is not trading with the entities on the Ukrainian, EU and US sanctions lists or entities associated with the individuals under those sanctions.

As at 31 December 2022 the Group was in compliance with covenants on its loans. The Group does not foresee the breach of covenants during 2023. As at 31 December 2022 management also prepared the forecast of covenants up until and covering Q1 2024. Based on this, management expects that the Group will be able to meet the covenants for the upcoming 12 months from the date of these financial statements with considerable headroom for the contracted ratios. In management's view, the sustainability of headroom will be ensured through the stable level of external long-term debt amid further improvement of market conditions given a surplus of sugar on the domestic market but Ukrainian sugar producers can freely trade with EU markets at European prices since the EU lifted import duties on sugar for Ukraine and higher sugar prices that will positively affect 2023 financial results given the current stocks of sugar. Stable level of external long-term debt will be maintained through the servicing of existing debt as per initial loan schedules. The Group repaid EUR 24 million of loans in January-March 2023. Management does not intend to attract additional long-term financing in 2023.

As of the date of these separate financial statements, condition and safety of the Group's assets are not significantly affected by the military invasion by the Russian Federation and the operating, logistic processes were reassessed by the Company and the Group to ensure continuity of its business, as described above. Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared a 12 months budget based on the assumption that the degree of intensity of military hostilities in the regions where the Group's assets are located and the area of the Ukrainian territory currently invaded by the Russian troops is not largely increased; the Group is able to carry out sowing and harvesting of crops; the railway infrastructure performs its function and is used as a way of executing export sales due to limitation of seaports usage; it will be possible to operate sugar processing plants after harvesting sugar beet in 2023/24; the Group will be able to obtain export licenses for some of its agricultural products.

While the Group's operations were not largely impacted so far and management prepared its 12 months budget based on the known facts and events, there is a significant uncertainty over the future development of the Russian armed intervention, its duration and short and long-term impact on the Group, its assets, employees and operations. There might be multiple scenarios of further development with unknown likelihood, and the magnitude of the impact on the Company might vary from significant to severe. This represents a single source of material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Management is frequently assessing the current situation and making appropriate adjustments to its business operations to mitigate any affects on the Company and the Group. Based on these and other steps the Company and the Group are taking, management concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

Functional and presentation currency

The functional and presentation currency of the Company and its Swiss and Cypriot subsidiaries is Euro (EUR). The operating subsidiaries registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

Basis of recognition of participations in subsidiaries

Investments in subsidiaries are valued using the equity method, determined applying the IFRS accounting policies as described in the financial statements. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

Impairment review of its investments in subsidiaries

The Company carries its investment in its subsidiary using the equity method and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value-in-use. If the recoverable amount is less than the carrying value of the investment, that decrease is recognised by the Company as an impairment loss.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the official foreign exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate valid at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate valid at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign exchange differences arising from translation are recognised in the income statement.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets – classification and subsequent measurement – business model

The business model reflects how the Company and its subsidiaries manages the assets in order to generate cash flows – whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Company and its subsidiaries undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Company and its subsidiaries in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Financial assets – classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company and its subsidiaries assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified as amortised cost (AC).

Financial assets subsequently measured at amortised cost

After initial recognition such financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. After the initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss. Financial assets of the Company and its subsidiaries that are subject to expected credit loss model are represented by other accounts receivable, short-term cash deposits and cash and cash equivalents. The Company and its subsidiaries measures ECL and recognises net impairment losses on financial assets at each reporting date.

The Company and its subsidiaries does not have financial assets subsequently measured at FVOCI and at FVTPL as at 31 December 2022 and 31 December 2021.

Financial assets – derecognition

The Company and its subsidiaries derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the subsidiary exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The subsidiary may write-off financial assets that are still subject to enforcement activity when the subsidiary seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at acquired cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Impairment

Financial assets

The Company and its subsidiaries measures ECL and recognises net impairment losses on financial assets at each reporting date. The Company and its subsidiaries applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

At each reporting date, the Company and its subsidiaries assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

Non-financial assets

The carrying amounts of non-financial assets carried at cost less accumulated depreciation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

- Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

- Additional paid-in capital

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

- Expenses

Expenses are accounted for on an accrual basis.

Interest income

Interest income comprises mostly interest income on loans issued to related parties. Interest income is recognised using the effective interest rate method.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, etc., have been eliminated for the purpose of preparing this statement. Assets and liabilities acquired as part of a business combination are included in the investing activities (net of cash acquired). Dividends paid to ordinary shareholders are included in the financing activities. Dividends received are classified as the investing activities. Interest paid is included in the financing activities. Interest received is included in the investing activities. Payments on lease liabilities – interest and principal part are included in the financing activity.

The following significant accounting policies are applied in the preparation of the valuation of investment in subsidiaries:

a) Property, plant and equipment

Owned assets

Buildings and constructions held for production, selling and distribution or administrative purposes, machinery and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and constructions, machinery and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. The revaluations are carried out by independent appraisers.

A revaluation increase on property is recognised in other comprehensive income, except to the extent that it reverses a previous impairment recognised in the income statement. An impairment of property is recognised in the income statement, except to the extent that it reverses a previous revaluation increase recognised through other comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the buildings, and machinery and equipment sold is transferred to retained earnings.

Vehicles and other items of property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the subsidiary; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate part of production overheads.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

Uninstalled equipment comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in the construction.

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in the accounting estimate.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalized and the carrying amount of the component replaced is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognised in the income statement as expenses as incurred.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Depreciation commences when the item of property, plant and equipment is available for use. Land, assets under construction and uninstalled equipment are not depreciated.

The estimated initial useful lives are as follows:

Buildings	Up to 50 years
Constructions	Up to 50 years
Machinery and equipment	Up to 20 years
Vehicles	Up to 10 years
Other property, plant and equipment	Up to 30 years

b) Intangible assets, other than goodwill

Intangible assets, which are acquired by the subsidiaries and which have finite useful lives, consist mainly of computer software.

Software is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement in the expense category consistent with the function of an intangible asset on a straight-line basis over the estimated useful lives, normally 4 years.

The amortization period and the amortization method for intangible asset with a finite useful life are reviewed at least at each year end.

c) Leases

The subsidiaries are a party to lease contracts as a lessee for, among others:

- land plots;
- building for office space and warehouses;
- equipment.

Leases are recognised, measured and presented in line with IFRS 16 Leases.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the subsidiary is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying assets' useful lives.

Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	1 to 49
Buildings	1 to 15
Machinery	1 to 5
Motor vehicles	1 to 3

The lease term determined by the Company and its subsidiaries comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate as of the commencement date of the contract.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured subsequently at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate and when there is a change in the subsidiary's assessment of whether it will exercise extension or termination option.

Each lease payment is allocated between the liability and interest expense on lease liability. Interest expense on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The subsidiaries have applied the cost model to right-of-use assets. The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Contracts may contain both lease and non-lease components. The subsidiaries allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease payments exclude variable elements which are dependent on internal and external factors such as e.g. energy usage, motor-hours limits etc. Such variable lease payments are not included in the initial measurement of the lease liability are recognised directly in the profit and loss.

The subsidiaries have elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and other lease that have a term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

d) Biological assets

The subsidiary classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less accumulated depreciation and accumulated impairment losses. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets is included in the income statement line "Changes in fair value of biological assets and agricultural produce". The subsidiary classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

e) Agricultural produce

The subsidiary classifies harvested crops as agricultural produce. Agricultural produce is carried in the statement of financial position at lower of cost (equal to fair value at the point of harvest less cost to sell, which is considered to be the cost at that date) or net realisable value. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest is included in the income statement line "Changes in fair value of biological assets and agricultural produce".

f) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation.

Work in progress include the cost of raw materials, labour and manufacturing overheads allocated proportionately to the stage of completion of the finished goods.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognised as biological assets held at fair value less cost to sell.

g) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the subsidiary.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The subsidiary uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the subsidiary determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h) Cash deposits

Cash deposits are held for the investment activities.

i) Non-current assets classified as held for sale

Non-current assets are classified in the statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction (including loss of control of a subsidiary holding the assets) within twelve months after the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the subsidiary's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year; and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to reflect the classification at the end of the current period.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Liabilities directly associated with the disposal group that will be transferred in the disposal transaction are reclassified and presented separately in the statement of financial position.

j) Impairment

Financial assets

The subsidiary measures ECL and recognises net impairment losses on financial assets at each reporting date. The subsidiary applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

At each reporting date, the subsidiary assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, carried at cost less accumulated depreciation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss. Impairment losses are recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment of non-financial assets

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may be decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognised.

k) Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

l) Additional paid-in capital

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

m) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies. Currency translation difference is recognised in other comprehensive income.

n) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the income statement over the period of the borrowings using effective interest rate method.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

o) Trade accounts payable

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

p) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the subsidiary operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in the statement of other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fixed agricultural tax

In accordance with the Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as payers of the fixed agricultural tax (FAT), provided that sales of agricultural goods of their own production accounted for more than 75% of their gross revenues for the preceding year.

The fixed agricultural tax is paid in lieu of corporate income tax, land tax, duties for special use of water sources, municipal tax, vehicle tax, duties for geological survey works and duties for trade patents. The amount of fixed agricultural tax payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer. Fixed agricultural tax is expensed as incurred.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

q) Accounting for government grants

The Ukrainian legislation provides for a number of different grants and tax benefits for companies involved in agricultural operations. There are grants and benefits established by Verkhovna Rada (the Parliament) as well as by the Ministry of Agrarian Policy, the Ministry of Finance, the State Committee of Water Industry, the customs authorities and local district administrations.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised as income on a systematic basis over the periods that the related costs, which they are intended to compensate, are expensed. To the extent the conditions attached to the grants are not met at the reporting date, the received funds are recorded in the subsidiary's financial statements as deferred income.

Government grants related to crop production and cattle farming

According to the Law of Ukraine on Agricultural Support, all agricultural producers that apply for the subsidy must be included in the State Registry of Budget Subsidy Recipients. An agricultural producer is defined as a farm or a company that derived 75 percent of its sales over the last 12 reporting periods (months) from sales of agricultural products.

The list of subsidized agricultural products of the subsidiary includes: sugar beet, milk and meat.

Partial compensation for finance costs and other subsidies

The subsidiary is entitled to receive reimbursement from various government programmes for the cost of agricultural machinery manufactured in Ukraine and fertilizers produced in Ukraine. Agricultural producers are required to meet certain conditions to qualify for these subsidies.

Because interest and other subsidies are payable only when the government budget has sufficient funds, they are recognised on a cash basis, and are reflected in other operating income.

r) Revenue

Revenue is income arising in the course of the subsidiary's ordinary activities. Revenue from sales of goods is recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the subsidiary has objective evidence that all criteria for acceptance have been satisfied.

Revenue from contracts with customers is recognised in the amount of transaction price net of discounts, returns and value added taxes, export duties, other similar mandatory payments. Transaction price is the amount of consideration to which the subsidiary expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The subsidiary does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the subsidiary does not adjust any of the transaction prices for the time value of money.

Generally, sales are made with a credit term, which is consistent with the market practice and consequently trade receivables are classified as current assets. A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Contract liabilities are included in other liabilities and accounts payable line item as advances from customers.

s) Expenses

Expenses are accounted for on an accrual basis.

t) Finance cost and income

Finance costs comprise interest expenses on loans and borrowings and foreign exchange difference. All interest and other costs incurred in connection with borrowings are expensed using the effective interest method.

Finance income comprises mostly interest income on bank deposits. Interest income is recognised using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The subsidiary does not apply IAS 23 Borrowing Costs to borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset measured (will be measured) at fair value:

- biological asset within the scope of IAS 41 Agriculture;
- inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.

u) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

There are certain standards and amendments effective after 1 January 2023. Management considers that these standards and amendments will have no material impact on the Company.

3. FIRST-TIME ADOPTION OF IFRS

These company separate financial statements are the Company's first annual financial statements that comply with IFRS as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The Company's IFRS transition date is 1 January 2021. Subject to certain exceptions, IFRS 1 requires retrospective application of the version of standards and interpretations effective as of 31 December 2022 in preparing the opening IFRS statement of financial position at 1 January 2021 and throughout all periods presented in its first IFRS separate financial statements. In preparing these separate financial statements, the Company has applied the mandatory exceptions to the retrospective application of other IFRSs.

Exceptions to the retrospective application, which are mandatory under IFRS 1 are:

a) **Estimates exception.** Estimates under IFRS at 1 January 2021 and 31 December 2021 should be consistent with estimates made for the same dates under the Dutch GAAP, unless there is evidence that those estimates were an error.
b) **Derecognition of financial assets and liabilities exception.** Financial assets and liabilities derecognised before the transition to IFRS are not re-recognised under IFRS. Management did not choose to apply the IFRS 9 derecognition criteria from an earlier date.
c) **Impairment of financial assets.** The impairment requirements of IFRS 9 are applied retrospectively. In cases when determination of a significant increase in credit risk since the initial recognition of a financial instrument requires undue cost or effort, the management decided to recognise a lifetime expected credit losses allowance at each reporting date until the financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

There is no quantitative effect of the transition from Dutch Accounting Regulations ("DAR") to IFRS as at 1 January 2021 and for the year ended 31 December 2021. During the transition to IFRS the Company corrected accounting for the dividend income received from subsidiary of EUR 8,000 thousand. This dividend was previously recognized by the Company as income within the income statement and was corrected in these financial statements to be presented as a deduction from the investments in subsidiary. Also, in 2021, the Company recognised EUR 28,350 thousand of impairment in investment in subsidiary, which was corrected during the transition to IFRS. As there was no statement of other comprehensive income presented in accordance with DAR, total comprehensive income in accordance with IFRS differs from total comprehensive income in accordance with DAR (presented as profit after taxation) for EUR 75,387 thousand, which comprises of impairment as detailed above and translation difference. As of 31 December 2021, and for the year then ended these were the only two reconciling items of equity and total comprehensive income that were corrected during the Company's transition to IFRS.

4. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2022 and 2021 the Company owns 100% of the shares of Ancor Investments Ltd, a subsidiary based in Cyprus. These shares and control over the subsidiary were received in July 2006 in exchange for a contribution-in-kind transaction.

In August 2017 the Company has incorporated Astarta Trading GmbH, a subsidiary based in Switzerland with share capital of CHF 20,000. The Company owns 100% of the shares of Astarta Trading GmbH, all shares are fully paid. The Company controls Astarta Trading GmbH since its incorporation.

The movements in the valuation of this investment may be summarised as follows:

(in thousands of Euros)	2022	2021
Balance as at 1 January	**493 984**	331 629
Share in profit of participations	**64 632**	123 342
Share in other comprehensive income of participations	**(71 925)**	47 041
Dividends received	-	(8 000)
Translation differences	**328**	(29)
Balance as at 31 December	**487 019**	493 984

In 2021 the Company has received interim dividends from its subsidiary Ancor Investments Ltd in amount of EUR 8 million. Dividends are distributed from Ancor Investments Ltd profits for 2015 and 2016 in amounts of EUR 5 million and EUR 3 million respectively.

Investments in subsidiaries are tested for impairment using the value-in-use calculation adjusted for the net debt position. There was no impairment identified as a result of impairment testing performed as at 31 December 2022.

As at 31 December 2022 ASTARTA HOLDING PLC owns shares, directly and indirectly, in a number of subsidiaries with the following percentage of ownership:

Name of Subsidiaries:	Activity	Place of business, country	31 December 2022 % of ownership	31 December 2021 % of ownership	1 January 2021 % of ownership
Direct subsidiaries:					
Ancor Investments Ltd	Trade and investment activities	Cyprus	**100,00%**	100,00%	100,00%
Astarta Trading GmbH	Trade	Switzerland	**100,00%**	100,00%	100,00%
Indirect subsidiaries:					
LLC Firm "Astarta-Kyiv"	Asset management	Ukraine	**99,99%**	99,99%	99,99%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	Ukraine	**99,73%**	99,73%	99,73%
LLC "Agricultural company "Dovzhenko"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Astarta Agro Trade"	Trade	Ukraine	**99,99%**	99,99%	90,57%
LLC "Agricultural company "Dobrobut"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Agricultural company "Musievske"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Globinskiy processing factory"	Soybean processing	Ukraine	**99,99%**	99,99%	99,99%
LLC "Investment company "Poltavazernoproduct"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "List-Ruchky"	Agricultural	Ukraine	**74,99%**	74,99%	74,99%
LLC "Agropromgaz"	Trade	Ukraine	**99,97%**	99,97%	99,97%
LLC "Khmilnitske"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Volochysk-Agro"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Agricultural company "Astarta Prykhorollia"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Agricultural company "Lan"	Agricultural	Ukraine	**0,00%**	0,00%	99,99%
LLC "Nika"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Zhytnytsya Podillya"	Agricultural	Ukraine	**99,99%**	99,99%	97,00%
LLC "Astarta Service"	Service	Ukraine	**99,99%**	99,99%	99,99%
LLC "Agrosvit Savyntsi"	Agricultural	Ukraine	**0,00%**	0,00%	99,99%
ALC "Novoivanivskiy sugar plant"	Sugar production	Ukraine	**0,00%**	0,00%	95,10%
LLC "Tsukragroprom"	Sugar production	Ukraine	**99,99%**	99,99%	99,99%
LLC "Zerno-Agrotrade"	Storage and trade	Ukraine	**99,99%**	99,99%	99,99%
LLC "Novoorzhytskiy sugar plant"	Sugar production	Ukraine	**99,99%**	99,99%	99,99%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	Ukraine	**99,99%**	99,99%	99,99%
PE "TMG"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
LLC "Eco Energy"	Agricultural	Ukraine	**99,99%**	99,99%	99,99%
ALLC "Lyaschivka"	Agricultural	Ukraine	**0,00%**	0,00%	99,99%
LLC "Agri Chain"	Research and development	Ukraine	**99,99%**	99,99%	99,99%
ALC "Narkevitskiy sugar plant"	Sugar production	Ukraine	**99,99%**	99,99%	99,99%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine	**99,99%**	99,99%	99,99%
LLC "Pochayna-Office"	Asset management	Ukraine	**0,00%**	0,00%	99,99%
LLC "Astarta Invest Service"	Land management	Ukraine	**99,99%**	99,99%	0,00%
LLC "Astarta Agro Protein"	Soybean processing	Ukraine	**99,99%**	99,99%	0,00%
LLC "Podil Agricultural Traditions"	Agricultural	Ukraine	**99,99%**	0,00%	0,00%
LLC "Chernihiv Eko Plus"	Agricultural	Ukraine	**99,99%**	0,00%	0,00%
LLC "Chernihiv Agricultural Traditions"	Agricultural	Ukraine	**99,99%**	0,00%	0,00%

Place of business of all subsidiaries has not changed since previous year.

5. LOANS GRANTED TO SUBSIDIARIES

The terms and repayment schedule for loan granted are as follows:

(in thousands of Euros)	Nominal interest rate	Year of maturity	31 December 2022	31 December 2021	1 January 2021
Loans granted to subsidiary in USD	1,25%	2023	820	-	-
Loans granted to subsidiary in USD	2,25%	2022	-	893	-
Loans granted to subsidiary in USD	5,00%	2021	-	-	4 554
			820	893	4 554

As at 31 December 2022 the Company has a loan receivable balance from its subsidiaries of USD 850 thousand (2021: USD 1,000 thousand; 1 January 2021: USD 5,000 thousand). The loans are unsecured and bears interest of 1,25% p.a. (2021: 2,25% p.a.; 1 January 2021: 5%).

Fair value of the loans approximates its carrying value.

6. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Other accounts receivable and prepayments as at 31 December are as follows:

(in thousands of Euros)	31 December 2022	31 December 2021	1 January 2021
Long-term financial assets:			
Accounts receivable from subsidiary	-	-	115
Other financial assets:			
Receivable from subsidiaries	833	-	724
Other accounts receivable	228	-	-
Less credit loss allowance	(85)	-	-
Prepayments and other non-financial assets:			
Prepayments	11	28	21
	987	28	860

As at 31 December 2022 receivable from subsidiaries are presented by a royalty income receivables for granting a non-exclusive license to use a trade and services mark to its subsidiaries for 2022 (31 December 2021: nil; 1 January 2021: EUR 724 thousand). These balances primarily are denominated in U.S. dollars.

Changes in credit loss allowances for other financial assets during the year ended 31 December are as follows:

(in thousands of Euros)	31 December 2022	31 December 2021
Balance as at 1 January	-	-
Charge in income statement	98	-
Currency translation difference	(13)	-
Balance as at 31 December	85	-

The ageing of other financial assets at the reporting date is as follows:

(in thousands of Euros)	Gross 31 December 2022	Lifetime ECL 31 December 2022	Gross 31 December 2021	Lifetime ECL 31 December 2021	Gross 1 January 2021	Lifetime ECL 1 January 2021
Not past due	950	(84)	-	-	-	-
Past due 1-30 days	92	(1)	-	-	-	-
Past due 31-120 days	19	(0)	-	-	-	-
	1 061	(85)	-	-	-	-

Other financial assets that are past due relate to customers with no recent history of significant indebtness or default and hence management believes collection is probable.

7. CASH AND CASH EQUIVALENTS

As at 31 December 2022, amount of cash in bank is EUR 417 thousand (31 December 2021: EUR 240 thousand; 1 January 2021: EUR 297 thousand). There is no restricted cash.

Cash by currencies are presented in table below:

(in thousands of Euros)	31 December 2022	31 December 2021	1 January 2021
USD	**218**	144	183
EUR	**113**	2	6
PLN	**86**	94	108
	417	240	297

8. EQUITY

The authorized share capital as at 31 December 2022 and 2021 and 1 January 2021 amounts to EUR 300,000 and consists of 30,000,000 ordinary shares with a nominal value of EUR 0.01 each. As at 31 December 2022, 25,000,000 shares are issued and fully paid.

Shareholders structure as at 31 December is as follows:

	31 December 2022	31 December 2021	1 January 2021
Astarta Holding N.V.			
Ivanchyk family	**40,00%**	40,00%	39,57%
Fairfax Financial Holdings LTD and its subsidiaries	**29,91%**	29,91%	29,91%
Other shareholders	**30,09%**	30,09%	30,52%
	100,00%	100,00%	100,00%

The long-term incentive plan issued to management, as disclosed in Note 14, has a dilutive effect on calculation of weighted average number of shares and earnings per share.

In 2022 and 2021 there were no pledged shares. For movements in equity refer to the statement of changes in equity.

With respect to the total equity, not all reserves are available for distribution to the shareholders. The restricted reserves, which are not available for distribution to the shareholders, include the following:

- Revaluation reserve represents share in OCI related to the accumulated gain on revaluation of property, plant and equipment of EUR 97,057 thousand (31 December 2021: EUR 68,922 thousand; 1 January 2021: EUR 87,251) presented within revaluation reserve caption in the balance sheet;
- Other reserve represents share in OCI related to the accumulated loss from currency translation adjustment of EUR 386,066 thousand (2021: loss of EUR 274,560 thousand; 1 January 2021: loss of EUR 321,597 thousand) presented within other reserve caption in the balance sheet.
- Retained earnings represents share in accumulated profit and loss earned by the subsidiaries and the Company's profit or loss.

As at 31 December 2022 and as at 31 December 2021, the Company had 750,000 of treasury shares with total cost of EUR 6,103 thousand. In 2021 the Company repurchased 60,102 of treasury shares for EUR 576 thousand. Par value of each share is EUR 0.01.

No dividends declared and paid in 2022. On 28 May 2021, the annual general meeting of shareholders approved an annual dividend of EUR 0.5 per share, which were paid in full in the amount of EUR 12,155 thousand in June 2021.

9. ROYALTY INCOME

The Company's royalty income is presented by a royalty income received for granting a non-exclusive license to use a trade and services mark to its subsidiaries for 2022 in amount EUR 872 thousand (2021: EUR 744 thousand).

10. INTEREST INCOME RELATED PARTIES

The Company's interest income is presented by interest income received for loans granted to subsidiaries for 2022 in amount of EUR 11 thousand (2021: EUR 72 thousand).

11. INCOME TAXES

Since September 2022 the Company is subject to Cyprus corporate income tax as 12,5% rate. Before migration and in 2021 the Company was subject to Dutch corporate income tax at 25% rate. The effective tax rate approximates 5% for 2022 (2021: nil).

Income tax expense for 2022 is accrued in amount of EUR 28 thousands. There is no income tax payable as at 31 December 2022.

(in thousands of Euros)	2022	2021
Profit before tax	**65 192**	122 491
Income tax expense at statutory rate of 12,5%/25%	**(8 149)**	(30 623)
Effects of different tax rates in other countries	**(92)**	-
Share in profit of participations	**8 079**	30 836
Non-taxable income/(expense)	**(68)**	(265)
Previously unrecognised tax loss that is used to reduce tax expense	**202**	52
Income tax benefit/(expense)	**(28)**	-

As at 31 December 2021 the Company did not recognize deferred tax asset relating to tax losses of EUR 4,9 million originated at ASTARTA HOLDING PLC before the migration to Cyprus since realization of this asset is uncertain. In 2022 all cumulative carried forward tax losses in amount EUR 3 million became irrecoverable for utilization due to the Company's migration to Cyprus.

12. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company has no employees other than directors. Hence, it did not pay any wages and related social security contributions. Director's remuneration disclosed in Note 14.

13. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about exposure to each of these risks and the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these separate financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Accounts receivable

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered.

The Company establishes an allowance that represents its estimate of lifetime expected credit losses in respect of other receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to current and macroeconomic information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- probability that the borrower will enter bankruptcy.

The information about the exposure to credit risk and ECL for other receivables as at 31 December 2022 provided in Note 6.

Maximum exposure to credit risk in respect to financial guarantees issued by the Company is disclosed in Commitments section below.

Commitments

As at 31 December 2022 and as at 31 December 2021 there were no pledged shares.

As at 31 December 2022 the Company has guaranteed repayment of certain loan agreements incurred by the Group subsidiaries in amount of EUR 38,1 million (2021: million EUR 34,3 million; 1 January 2021: EUR 45,9 million). Loans taken by the Group subsidiaries which repayment is guaranteed by the Company are substantially secured by subsidiaries' assets.

The table below summarises the maturity profile of these loans on contractual undiscounted payments (including future interest payments):

(in thousands of Euros)	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
31 December 2022	40 405	22 770	8 211	9 425	-
31 December 2021	36 784	15 305	6 891	13 705	882
1 January 2021	51 987	15 395	10 883	24 890	819

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

The Company is exposed to currency risk on other accounts receivable and loans issued that are denominated in a currency other than the functional currency of the Company. The currency in which these transactions primarily are denominated is U.S. dollars. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies.

The exposure to foreign currency risk related with U.S. dollars is as follows:

(in thousands of Euros)	31 December 2022	31 December 2021	1 January 2021
Loan granted to subsidiary	**820**	893	4 554
Other accounts receivable	**975**	-	840
Cash and cash equivalents	**218**	144	186
Net exposure	**2 013**	**1 037**	**5 580**

14. RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties in the ordinary course of business. Related parties comprise the Company's shareholders, companies that are under control of the Company's shareholders, subsidiaries of the Company, key management personnel and their close family members and companies that are controlled or significantly influenced by the shareholders. Prices for related party transactions are determined on a market basis.

The following table summarises transactions that had been entered into with subsidiaries controlled by the Company for the year ended 31 December 2022:

(in thousands of Euros)	2022	2021
Share in profit of participations	**64 632**	123 342
Royalty income	**872**	744
Interest income from subsidiaries	**11**	72

The following table summarises balances with subsidiaries controlled by the Company as at 31 December 2022:

(in thousands of Euros)	31 December 2022	31 December 2021	1 January 2021
Investments in subsidiaries	**487 019**	493 985	331 630
Loan granted to subsidiaries	**820**	893	4 554
Other accounts receivable	**750**	-	840

Directors remuneration

The Company is managed by the Board of Directors which consists of six members: three Executive Directors and three Non-Executive Directors. The composition of the Board of Directors is as follows:

Viktor Ivanchyk	Chief Executive Officer
Viktor Gladky	Chief Financial Officer
Savvas Sotiri Perikleous	Chief Corporate Officer
Howard Dahl	Chairman of the Board, Non-Executive Director
Gilles Mettetal	Non-Executive Director
Markiyan Markevych	Non-Executive Director

The remuneration received by executive and non-executive Board members is specified below:

	(in thousands of Euros) 2022	2021
Remuneration of executive Board members		
Viktor Ivanchyk	360	742
Viktor Gladky	276	511
Marc van Campen	40	40
Savvas Sotiri Perikleous	-	-
Total remuneration of executive Board members	676	1 293
Remuneration of non-executive Board members		
Howard Dahl	75	75
Gilles Mettetal	40	40
Arslan Huseyin	40	40
Markiyan Markevych	-	-
Total remuneration of non-executive Board members	155	155
Total remuneration of Board members	831	1 448

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totalling six persons). Mr.Marc van Campen was acting as the Executive Director until 16 September 2022. Mr. Savvas Sotiri Perikleous was acting as the Executive Director from 16 September 2022. Mr.Arslan Huseyin was acting as the Non-Executive Director until 26 October 2022. Mr.Markiyan Markevych was acting as the Non-Executive Director from 27 October 2022. Remuneration of Mr. Savvas Sotiri Perikleous and Mr. Markiyan Markevych acting in the capacity of Directors of the Group will be formalized at the next Annual General Shareholders meeting.

Executive Directors who take part in a day-to-day operating activity of the Company, are entitled to a remuneration package consisting of an annual fixed and variable remuneration. Variable remuneration comprises long-term incentives based on a share option plan and short-term incentives in the form of bonuses.

Remuneration of key management for the year ended 31 December 2022 was EUR 831 thousand (2021: EUR 1,448 thousand). This remuneration consisted of two components: fixed remuneration of EUR 831 thousand (2021: EUR 848 thousand), variable remuneration in the form of bonuses which were not accrued for Mr.Ivanchyk (2021: EUR 360 thousand) and for Mr.Gladky (2021: EUR 240 thousand). In addition to the above expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2022 which were accrued for Mr.Ivanchyk in the amount of EUR 300 thousand (2021: EUR 600 thousand) and for Mr.Gladky in the amount of EUR 275 thousand (2021: EUR 415 thousand). The Company did not grant loans, advance payments or guarantees to the members of the Board of Directors or any family member of such persons.

In 2022 fixed remuneration accrued for Mr.Ivanchyk in the amount of EUR 360 thousand, part of which in the amount of EUR 228 thousand was transferred to a charity fund at Mr.Ivanchyk's request. This amount was included in the table above. In 2022 the fixed remuneration accrued for Mr.Gladky in the amount of EUR 276 thousand, part of which in the amount of EUR 31 thousand was transferred to a charity fund at Mr.Gladky request. This amount is included in the table above.

The accumulated balance in equity for key management personnel presented by share-based incentive plans as at 31 December are as follows:

(in thousands of Euros)

	2022	2021
Viktor Ivanchyk	900	600
Viktor Gladky	690	415
	1 590	1 015

The amount due from the Company's Directors as at 31 December 2022 is nil (31 December 2021 nil).

15. AUDIT FEES

The following audit fees relate to the audit of 2022 and 2021 financial statements, regardless of whether the work was performed during the financial year.

(in thousands of Euros)

2022	PWC - Ukraine	PWC - Cyprus	Total Networks
Audit of the financial statements	69	40	109
Other audit services	196	-	196
Tax services	-	-	-
Other non-audit services	-	-	-
	265	40	305

(in thousands of Euros)

2021	PWC - Ukraine	PWC - Netherlands	Total Networks
Audit of the financial statements	67	116	183
Other audit services	200	-	200
Tax services	-	-	-
Other non-audit services	-	-	-
	267	116	383

Other audit services include fees related to the audit of standalone financial statements of Ukrainian subsidiaries.

16. EVENTS SUBSEQUENT TO THE REPORTING DATE

In February 2023 a new subsidiary ASTARTA TRADING PLC has been incorporated under the Company Law, Cap. 113 as a limited liability company and is registered in Nicosia, Cyprus.

Board of Directors of ASTARTA HOLDING PLC

21 April 2023

Nicosia, Cyprus

Mr. V. Ivanchyk	*(signed)*
Mr. H.A. Dahl	*(signed)*
Mr. V. Gladky	*(signed)*
Mr. M. Markevych	*(signed)*
Mr. G. Mettetal	*(signed)*
Mr. S.S. Perikleous	*(signed)*

Independent Auditor's Report

To the Members of ASTARTA HOLDING PLC

Report on the Audit of the Consolidated Financial Statements and Separate Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements and separate financial statements of ASTARTA HOLDING PLC (the "Company") and its subsidiaries (together the "Group") give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated financial statements and separate financial statements which are presented in pages 125 to 229 and comprise:

- the consolidated statement of financial position and the separate statement of financial position as at 31 December 2022;
- the consolidated income statement and the separate income statement for the year then ended;
- the consolidated statement of comprehensive income and the separate statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity and the separate statement of changes in equity for the year then ended;
- the consolidated statement of cash flows and the separate statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements and separate financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements and separate financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We remained independent of the Group and the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements and separate financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty relating to going concern

We draw attention to Note 2(b) to the consolidated financial statements and to Note 2 to the separate financial statements, which indicate that since 24 February 2022 the Group's operations are significantly affected by the ongoing military actions in Ukraine and the magnitude of further developments or the timing of cessation of those actions are uncertain. As stated in Note 2(b) to the consolidated financial statements and Note 2 to the separate financial statements, these events or conditions, along with other matters as set forth in Note 1(b) to the consolidated financial statements and Note 2 to the separate financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the 'Material uncertainty relating to going concern' section, we have determined the matters described below as the key audit matters that should be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair valuation of the Group's property, plant and equipment carried under the revaluation model and impairment assessment of the Group's right of use assets and property, plant and equipment carried at cost model *Refer to Notes 2, 5 and 6 to the consolidated financial statements for related disclosure* After initial recognition, the Group subsequently carries buildings, construction, machines and equipment under revaluation model in accordance with IAS 16 Property, Plant and Equipment. As presented in Note 5 to the consolidated financial statements, buildings amount to UAH 1,544 million (EUR 40 million), construction amounts to UAH 2,679 million (EUR 69 million) and machines and equipment amount to UAH 2,948 million (EUR 76 million) as at 31 December 2022.	Our audit procedures included the following: - We engaged our internal valuation experts who assisted in the evaluation of the methodology adopted by management and the assessment of discount rates applied and whether those are in line with the general valuation standards and industry practises. - We assessed the competency, capabilities and objectivity of the valuation expert engaged by management. - We verified the input data used for market and depreciated replacement cost calculations for buildings, construction, machines and equipment groups accounted for at fair value. - We assessed the reasonableness of management's judgements applied in determining the CGUs.

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The remaining classes of property, plant and equipment with carrying amount totalling UAH 435 million (EUR 11 million) and right-of-use assets with carrying amount of UAH 3,799 million (EUR 98 million) as at 31 December 2022 are measured at cost with impairment determined in accordance with IAS 36 Impairment of Assets. Management identified impairment indicators as at 31 December 2022 and therefore performed an impairment test in relation to these assets. Management engaged an external independent appraiser to assist in the determination of the fair value of buildings, construction, machines and equipment and assist in the impairment test at the Cash Generating Unit (CGU) level for the entirety of property, plant and equipment and right-of-use assets as at 31 December 2022. The fair values of buildings, construction, machines and equipment were determined in accordance with IFRS 13 Fair Value Measurement, by applying the market and the depreciated replacement cost methods, considering the cost to reproduce or replace the assets and comparing the outcome to the respective recoverable amounts. The Group measured the recoverable amount of property, plant and equipment and right of use assets at the CGU level using the value-in-use approach applying the expected discounted cash flow technique. The cash flows utilised in this exercise were based on approved future budgets, historical performance and extrapolated forecasts using different price indexes applicable to relevant input data. As explained in Notes 1(b) and 2(i) to the consolidated financial statements, the aforementioned valuation and impairment test are affected by the current operating environment of the Group.	- We evaluated key assumptions applied to which the outcomes of the fair value assessment and impairment assessment are the most sensitive taking into account the current operating environment of the Group. We compared these assumptions to the historic performance of the Group, internal budgets, and general industry outlooks to assess whether the assumptions used were reasonable. - We evaluated management's ability to reasonably estimate cash flow forecasts by comparing actual results to management's historical forecasts. - We verified the mathematical accuracy and integrity of the calculations performed by the Group. - We evaluated the sufficiency and mathematical accuracy of the sensitivity analysis performed by management in relation to the fair value determination and impairment test exercises. - We verified the adequacy of the management's disclosures in the relevant notes to the consolidated financial statements. The results of the above procedures were satisfactory for the purposes of our audit.

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The fair value determination and impairment test are highly judgemental which requires use of unobservable inputs. Taking into account the critical accounting judgements made, the sensitivity of the valuation of these assets to the change in key assumptions, the complexity of the models and the current operating environment of the Group we considered this to be a key audit matter for our audit of the consolidated financial statements. We also considered this to be a key audit matter for the audit of the separate financial statements as it impacts financial position and performance of the Company standing alone through equity accounting for the Company’s investments in subsidiaries.	
Valuation of biological assets *Refer to Notes 2 and 7 to the consolidated financial statements for related disclosure* The Group measures biological assets (crops and livestock) at fair value less costs to sell in accordance with IAS 41 Agriculture and IFRS 13 Fair Value Measurement. As presented in the consolidated statement of financial position, current biological assets, comprised of winter crops amounting to UAH 768 million (EUR 20 million) and spring crops of the 2021/22 season, which were not yet harvested as of 31 December 2022 amounting UAH 516 million (EUR 13 million). Non-current biological assets, mainly consisting of cattle amounted to UAH 1,167 million (EUR 30 million). The Group assesses the fair value less cost to sell of its biological assets based on the discounted cash flow technique. This valuation is significant to our audit because the assessment process is complex and judgmental. The key assumptions used in the preparation of future cash flow are: • expected yields; • prices; • productions costs until harvest; • discount rates.	Our audit procedures included the following: - We evaluated the appropriateness of the accounting policy used by management for the valuation of biological assets. - We evaluated the appropriateness of the methodology used by management for the valuation of biological assets. - We verified that valuation methods used are in accordance with IAS 41, IFRS 13 and consistent with international valuation standards and industry practices. - We assessed the reasonableness of certain key assumptions used by management by challenging those assumptions through reference to historical data (yields) and, where applicable, external benchmarks (prices) and market data taking into account the current operating environment of the Group. We also compared those key assumptions to the ones used in the approved next year budget and historical performance, where considered relevant, and evaluated rationale for any change. - We engaged our internal valuation experts and evaluated the reasonableness and appropriateness of the discount rates utilised in the valuation adopted by management. - We assessed the competence, capabilities and experience of management in preparing the valuation model.

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Due to the absence of an active market the valuation is based on unobservable data from the Group's internal agricultural, sales and financial reporting experts who accumulate this information based on prior years' performance and publicly available resources, therefore inherently susceptible to the risk of material misstatement. As explained in Notes 1(b) and 2(i) to the consolidated financial statements, the valuation of biological assets is affected by the current operating environment of the Group. Therefore, we consider valuation of biological assets to be a key audit matter for our audit of the consolidated financial statements. We also considered this to be a key audit matter for the audit of the separate financial statements as it impacts financial position and performance of the Company standing alone through equity accounting for the Company's investments in subsidiaries.	- We verified the mathematical accuracy of the valuation model. - We evaluated the sufficiency and mathematical accuracy of the sensitivity analysis performed by management in relation to the valuation of biological assets. - We verified the adequacy of the management's disclosures in the relevant notes to the consolidated financial statements. The results of the above procedures were satisfactory for the purposes of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Overview, Report on Operations, Sustainability, Management report and Corporate governance report but does not include the consolidated financial statements and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements and separate 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 and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and separate 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 and those charged with governance for the Consolidated Financial Statements and Separate Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements and separate 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 and the Company's and 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 and the Company'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 and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 21 March 2023 by the Board of Directors for the audit of the financial statements for the year ended 31 December 2022. On 17 August 2006, the Warsaw Stock Exchange was first included in the list of regulated markets prepared by the European Commission and published in the Official Journal of the European Union and as a result, the first financial year in which the Company was designated as a Public Interest Entity (PIE) in the European Union was the year ended 31 December 2006.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements and separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on *19 April 2023* in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and the Company and which have not been disclosed in the consolidated financial statements and separate financial statements or the consolidated and separate management report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of ASTARTA HOLDING PLC for the year ended 31 December 2022 comprising an XHTML file which includes the consolidated and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and all disclosures made to the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2022 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

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The Board of Directors of ASTARTA HOLDING PLC is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2022 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of ASTARTA HOLDING PLC. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated and separate financial statements included in the digital files correspond to the consolidated and separate financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated and separate financial statements, and the consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements and separate financial statements.
- In light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the consolidated financial statements and separate financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and 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 consolidated financial statements and separate financial statements of the Company for the year ended 31 December 2021 were audited by PricewaterhouseCoopers Accountants N.V. who expressed an unqualified opinion which included a material uncertainty relating to going concern paragraph. The opinion was issued on 8 April 2022. PricewaterhouseCoopers Limited assumed office as statutory auditor following its redomicilation to the Republic of Cyprus on 16 September 2022.

The engagement partner on the audit resulting in this independent auditor's report is Nicos A. Theodoulou.

Nicos A. Theodoulou
Certified Public Accountant and Registered Auditor
for and on behalf of
PricewaterhouseCoopers Limited

Certified Public Accountants and Registered Auditors
PwC Central, 43 Demostheni Severi Avenue
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21 April 2023