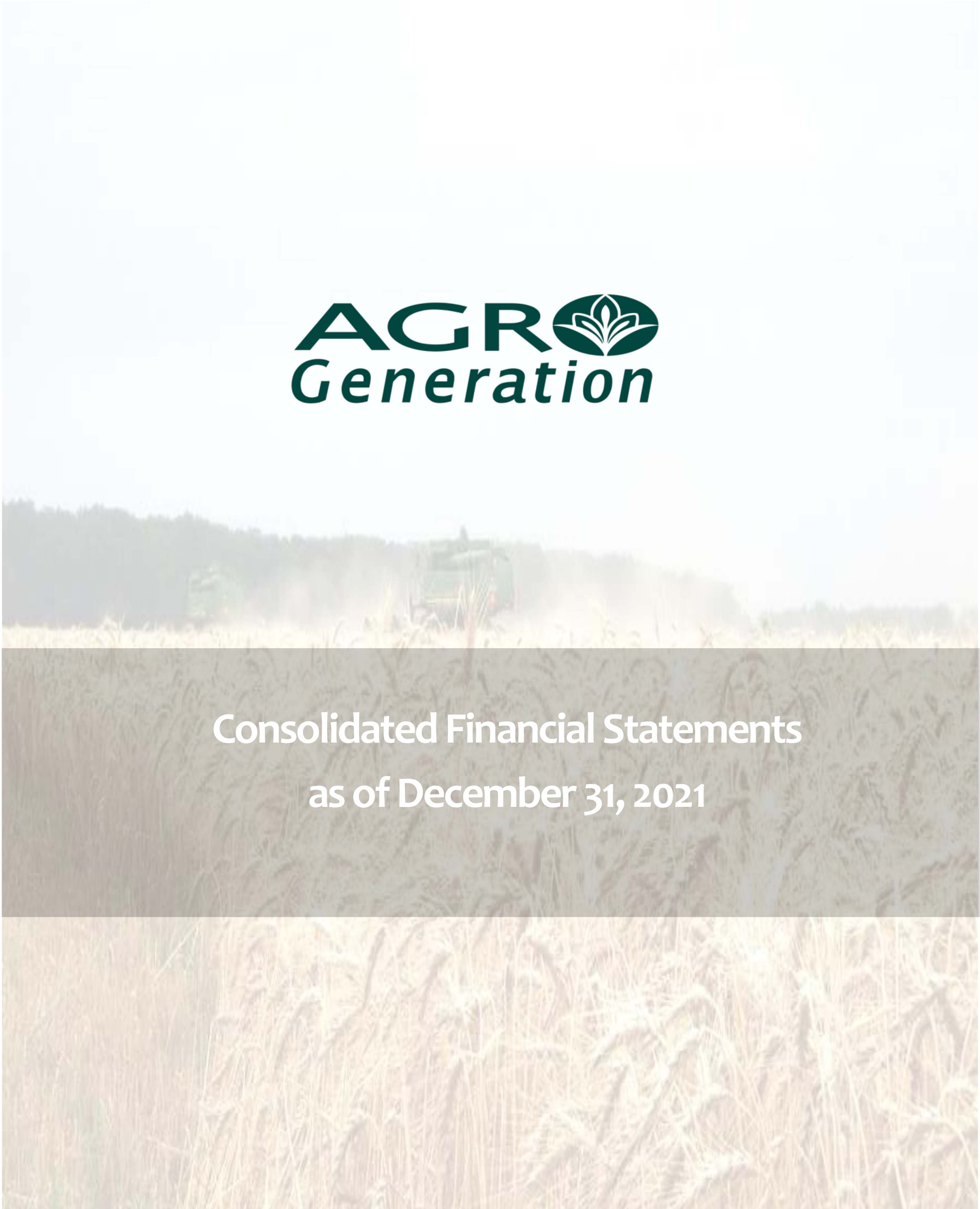


Consolidated Financial Statements as of December 31, 2021

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 4

CONSOLIDATED INCOME STATEMENT 5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 7

CONSOLIDATED CASH FLOW STATEMENT 8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 10

1. SCOPE OF CONSOLIDATION 10
General information and background 10
2. MAJOR EVENTS OF THE PERIOD 11
2.1. Completion of litigation with EHGO/ORNANE 11
2.2. Impact of COVID-19 on the Group's operations 11
3. FINANCIAL RISK MANAGEMENT 12
3.1. Geopolitical risks in Ukraine 12
3.2. Risks related to changes in the legal and fiscal environment 16
3.3. Risks related to changes in exchange rates 16
3.4. Risks related to commodities price changes 17
3.5. Liquidity risks on crop financing 18
3.6. Counterparty risks 18
3.7. Capital repatriation risks 18
4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES 18
4.1. Impairment test on intangible assets 19
4.2. Fair value of biological assets and net realisable value of agricultural produce 19
4.3. Equity-settled share-based transactions 19
4.4. Fair value of fixed assets 19
5. RESTATEMENT OF THE MEASUREMENT OF RIGHT-OF-USE ASSETS AND LIABILITIES RELATED TO THE LAND LEASE AGREEMENTS ACCORDING TO IFRS 16 LEASES 20
6. EVENTS AFTER THE BALANCE SHEET DATE 22
6.1. Military invasion of Ukraine and Going concern risks 22
7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 25
7.1. Basis of preparation and changes in accounting policies 25
7.2. Consolidation 27
7.3. Foreign currency translation 27
7.4. Intangible assets 29
7.5. Property, plant and equipment 29
7.6. Impairment of non-financial assets 30
7.7. Agriculture 30
7.8. Leases, Right-of-use assets and lease liabilities 32
7.9. Government grants 33
7.10. Inventories 34
7.11. Share capital 34
7.12. Current and deferred income tax 34
7.13. Employees benefits 36
7.14. Provisions 36
7.15. Revenue 36
7.16. Share-based payment 37

8. Segment reporting 37
9. Intangible assets and land leases 38
10. Right of use assets (Land) 39
11. Property, plant and equipment 40
12. Financial assets 42
13. Corporate income tax 43
13.1. Analysis of Income tax expense – Tax proof 43
14. Inventories 43
15. Biological assets 44
16. Trade and other receivables 46
17. Cash and cash equivalents 47
18. Borrowings and Lease Liabilities for right-of-use assets 48
19. Share Capital 51
20. Provisions 51
21. Trade and other payables 52
22. Financial assets and liabilities 53
23. Revenues from operating activities 55
24. Functional costs / costs by nature 56
25. Other income and expense 56
26. Net financial income / (expenses) 57
27. Earnings per share 58
28. Share-based compensation 59
28.1. Allocation of BSPCE warrants 59
28.2. Allocation of stock-options 60
28.3. ORNANE stock warrants (BSA) 62
29. Related parties 63
29.1. Ownership and governance 63
29.2. Transactions with related parties 64
30. Fees paid to auditors 65
31. List of consolidated companies 66

Consolidated statement of financial position

(in thousands of Euros)

Assets	Note	December 31, 2021	December 31, 2020 restated (Note 5)
Non-current assets		**32 829**	**43 585**
Intangible assets	9	125	11 009
Right-of-use Assets (Land)	10	13 386	13 107
Property, plant and equipment	11	19 318	19 469
Current Assets		**49 204**	**27 103**
Inventories	14	26 471	12 343
Financial assets	12	2 691	342
Biological assets	15	12 340	8 443
Trade and other receivables	16	3 294	1 693
Cash and cash equivalents	17	4 408	4 282
Total assets		**82 033**	**70 688**

Equity and Liabilities	Note	December 31, 2021	December 31, 2020 restated (Note 5)
Equity		**50 145**	**33 858**
Share capital	19	11 079	11 079
Share premium	19	225 042	225 042
Other reserves		(118 608)	(118 608)
Retained earnings		(81 719)	(84 095)
Revaluation reserves		33 656	33 699
Currency translation differences		(33 507)	(35 592)
Net Income		14 202	2 333
Non-controlling interests		-	-
Non-current liabilities		**14 754**	**13 705**
Provisions	20	-	-
Non-current borrowings	18	984	481
Non-current lease liabilities for right-of-use assets	18	13 770	13 119
Deferred tax liabilities	13	-	105
Current liabilities		**17 134**	**23 125**
Provisions	20	26	645
Current borrowings	18	6 747	15 111
Current lease liabilities for right-of-use assets	18	3 098	2 459
Trade and other payables	21	7 263	4 910
Current income tax liability		-	-
Total equity and liabilities		**82 033**	**70 688**

Consolidated income statement

(in thousands of Euros)	Note	2021	2020 restated (Note 5)
Revenue	23	**43 896**	**39 146**
Change in fair value of biological assets and finished goods	15	20 006	10 351
Cost of sales	24	(31 541)	(32 722)
Gross profit / (loss)		**32 361**	**16 775**
Selling, general and administrative expenses	24	(4 518)	(4 876)
Other income and expenses	25	(11 100)	(370)
Profit before interest and tax		**16 743**	**11 529**
Financial net (expenses) / income	26	(2 654)	(9 796)
Income tax (expense) / gain	13	113	600
Profit / (loss) for the period		**14 202**	**2 333**
Non-controlling interests		-	-
Profit /(loss) from continued and discontinued operations attributable to the Group		**14 202**	**2 333**
Profit / (Loss) attributable to equity holders of the company (€, 000)		14 202	2 333
Weighted average number of ordinary shares		225 593 381	227 233 309
Basic earnings / (loss) per share (in Euros per share)	28	**0,06**	**0,01**
Profit / (loss) attributable to equity holders of the company after dilution (€, 000)		14 202	2 333
Weighted average number of ordinary and potential shares		225 593 381	227 233 309
Diluted earnings / (loss) per share (in Euros per share)	28	**0,06**	**0,01**

Consolidated statement of comprehensive income

(in thousands of Euros)	2021	2020 restated (Note 5)
Profit / (loss) for the period	**14 202**	**2 333**
Items that will not be reclassified to profit and loss, net of tax	**-**	**8 367**
Gains on Property, plant and equipment revaluation	-	8 367
Items that are or may be reclassified to profit and loss, net of tax	**2 085**	**(3 987)**
Currency translation differences arising during the period	2 085	(3 987)
Currency translation loss reclassified to profit or loss during the period	-	-
Total comprehensive income of the period	**16 287**	**6 713**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Share premium	Other reserves	Retained earnings	Revaluation reserves***	Currency translation differences*	Total, Group share	Non-controlling interest	Total equity
Balance as of December 31, 2019	**11 079**	**225 042**	**(118 608)**	**(84 325)**	**26 316**	**(31 605)**	**27 898**	**-**	**27 898**
Adjustment as of 01.01.2020 in relation to IFRS 16 restatement	-	-	-	(754)	-		(754)	-	(754)
Other comprehensive income/(expenses) *	-	-	-	-	8 367	(3 987)	4 380	-	4 380
Transfer from other comprehensive income to retained earnings**	-	-	-	984	(984)	-	-	-	-
Net Income / (loss) for the year	-	-	-	2 333	-	-	2 333	-	2 333
Balance as of December 31, 2020, *restated (Note 5)*	**11 079**	**225 042**	**(118 608)**	**(81 762)**	**33 699**	**(35 592)**	**33 858**	**-**	**33 858**
Other comprehensive income/(expenses)	-	-	-	-	-	2 085	2 085	-	2 085
Transfer from other comprehensive income to retained earnings**	-	-	-	43	(43)	-	-	-	-
Net Income / (loss) for the year	-	-	-	14 202	-	-	14 202	-	14 202
Balance as of December 31, 2021	**11 079**	**225 042**	**(118 608)**	**(67 517)**	**33 656**	**(33 507)**	**50 145**	**-**	**50 145**

(*) Currency translation differences

Revaluation of Ukrainian hryvnia in the 2021 had significant impact on assets and liabilities of the Consolidated Financial Statements.

The positive impact of currency translation differences for 2021 amounts to **€2 085 k** and is composed of:

> **€ 401 k** loss due to translation difference on current year income arising from the difference between average (or daily) and closing rate (32,30 UAH/ EURO and 30,92 UAH/EURO respectively).
>
> **€ 2 486 k** gain due to translating the opening net assets at a closing rate (30,92 UAH/EURO) that differs from the previous closing rate (34,74 UAH/EURO): the gain is due to the fact that retained earnings of Ukrainian entities are positive.

(*) Revaluation reserves

Relates to the revaluation of the fixed assets, this revaluation recognised in other comprehensive income in 2020 amounts to €8,4 m (cf. Note 11 of the Consolidated Financial Statements for the year 2020)

(**) Revaluation surplus on fixed assets disposed in 2021.

Consolidated cash flow statement

(in thousands of Euros)	Note	2021	2020 restated (Note 5)
Profit / (loss) from continued operations		14 202	2 333
Profit / (loss) from discontinued operations		-	-
Profit / (loss) for the period		**14 202**	**2 333**
Depreciation on fixed assets		7 123	7 464
Provisions		-	-
Capital (gains) / losses from disposals		109	137
Net financial (income) / loss		2 654	9 796
Deferred and income taxes (income) / expense		(113)	(600)
Biological assets and finished goods fair value decrease / (increase)		(9 480)	(3 949)
Goodwill impairment		11 208	-
Impairment of fixed assets		-	290
Other (income) / expense with no cash impact		50	178
Cash flow from operating activities		**25 753**	**15 649**
Trade and other payables (decrease) / increase*		(907)	(275)
Inventories (increase) / decrease		(7 983)	801
Biological assets cost decrease / (increase)		3 059	2 723
Trade and other receivables decrease / (increase) **		468	(3 133)
Income tax paid		-	(107)
Working capital variation		**(5 363)**	**9**
Net operating cash flow		**20 390**	**15 658**
Cash flow from investing activities			
Purchase of property, plant and equipment		(3 054)	(1 127)
Purchase of intangible assets		(32)	(4)
Purchase of financial assets		(3 817)	-
Disposal of property, plant and equipment		286	287
Disposal of intangible assets		-	-
Disposal of financial assets		1 275	-
Net investing cash flow		**(5 342)**	**(844)**
Cash flow from financing activities			
Purchase/sale of treasury shares		-	-
Pledged term deposits decrease / (increase)	12	326	(105)
Proceeds from borrowings		3 605	9 132
Repayment of borrowings		(11 271)	(11 561)
Payment of lease liabilities for right-of-use assets		(6 005)	(5 860)
Gain / (losses) from realised foreign exchange		982	(2 422)
Paid interests		(2 663)	(1 423)
Net cash generated from financing activities		**(15 026)**	**(12 239)**
Effects of exchange rate changes on cash and cash equivalents		104	(271)
Net movement in cash and cash equivalents		**126**	**2 304**
Cash and cash equivalents at the beginning of the period	17	**4 282**	**1 978**
Cash arising from held for sale activities at the beginning of the period* **		**-**	**-**
Cash and cash equivalents at the end of the period	17	**4 408**	**4 282**
Cash and cash equivalents at the end of the period from discontinued operations		**-**	**-**
Cash and cash equivalents at the end of period from continued operations		**4 408**	**4 282**

** In the consolidated balance sheet, the accounts receivable as of December, 31 2021 include prepayments made to suppliers of the Group in connection with inputs for the 2022 harvest. In the consolidated cash flow statement, the variation in prepayments to suppliers (negative cash flow / increase in receivable), which stands at € 1 383k, not inclusive of exchange rate effects, is presented as a change in accounts payable.*

*** In the consolidated balance sheet, the accounts payable as of December, 31 2021 include prepayments received from Group customers in respect of upcoming deliveries in the end of financial year 2021. In the consolidated cash flow statement, the change in customer prepayments (positive cash flow / increase in debt), which amounts to € 653k, not inclusive of exchange rate effects, is presented as a change in accounts receivable.*

Notes to the Consolidated Financial Statements

The Consolidated Financial Statements of the AgroGeneration Group ("AgroGeneration", "the Group" or "the Company") for the year ended December 31, 2021 were authorized for issue by the Board of Directors on August 02, 2022. These Financial Statements are presented in thousands of euro for all financial years, except for the per-share information.

1. Scope of consolidation

The Group's Consolidated Financial Statements for the year ended December 31, 2021 include the accounts of AgroGeneration SA and of all companies controlled by the Group, as well as companies over which the Group exercises significant influence. Please refer to the Note 31 for the List of consolidated companies.

General information and background

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

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

The information on ownership and governance is presented in the Note 29.1.

2. Major events of the period

2.1. Completion of litigation with EHGO/ORNANE

During the first-half year 2019 EHGO requested before the Paris Commercial Court termination of the ORNANE agreement and early repayment of the outstanding 190 ORNANE bonds, at a nominal value for a total amount of €1.9 million in cash. AgroGeneration was contesting the EHGO request and considered that it was acting within its rights. The related cases have been remanded to the courts several times during 2020 and remained unresolved as of December 31, 2020. The related risks were covered by a provision booked in the Group accounts as of December 31, 2020 (Note 20) based on weighted risk scenario. The total liabilities under ORNANE bonds as of December 31, 2020 combined two parts: the fair value of 190 ORNANEs at a convertible share price at that date, valued at € 0.611 million (Note 18), and provision for € 0.609 million (Note 20), totaling € 1.220 million.

In 2021, AgroGeneration and EHGO jointly referred to the mediator. The mediation procedure resulted in the resolution of disputes by means of withdrawal of proceedings mutually brought before the Court and the Settlement agreement signed 16.09.2021. The Agreement provided lapse of the outstanding 190 ORNANEs and repayment of compensation by AgroGeneration to EHGO. AgroGeneration has fully repaid compensation by the end of 2021, for around € 1.5 million cash and in shares settlement (including the transfer of 686,411 treasury shares owned by the AgroGeneration to EHGO). This settlement at an amount, exceeding total related liabilities initially recognized as of December 31, 2020, resulted in € 0.143 million net expenses recognized in 2021 Consolidated Statement of Comprehensive Income.

For more details on the ORNANE refer to the Note 2.1 Consolidated financial statements as of December 31, 2018.

2.2. Impact of COVID-19 on the Group's operations

In December 2019, an outbreak of a new strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread worldwide. On March 11, 2020, the World Health Organization declared COVID-19 as a pandemic. Ukraine declared a state of emergency on March 25, 2020.

By the end of 2020, Ukraine had adopted a National COVID-19 Vaccination Roadmap, and a vaccination campaign started in February 2021. The Ukrainian government approved the use of AstraZeneca/Covishield, Sinovac Biotech, and Pfizer vaccines in Ukraine. In 2021, vaccinations were executed all over Ukraine.

Due to the COVID-19 pandemic, Ukrainian economic sectors was hit hard in 2020, and a slow recovery was observed in 2021, subject to global post-pandemic recovery. Due to vaccination conducted in 2021, Ukraine was able to soften the strictness of lockdowns allowing businesses to operate in the environment closer to normal while keeping minimum required preventive measures in place. Agriculture was among the least affected by quarantine restrictions, while service, trade and transport were the most affected. The direct impact of the pandemic on the economy was channelled through stopped domestic economic activity in sectors affected by the shutdown, as well as lower demand for Ukrainian exports and lower remittances

from abroad. Second-round effects stem from reduced household income, redirection of government spending and disruption of investment plans of companies, resulting in lower demand for a wide range of goods and service.

In accordance with the national regulations and the best practices recommendations, AgroGeneration put in place sanitary measures in its operations to ensure employees safety, including observing social distancing, providing proper sanitizing and protective masks, organizing medical screenings at the office premises or local medical authorities, etc. from the very beginning of the pandemic outbreak.. Administrative employees worked from home as much as possible. Travel were virtually eliminated so that employees may observe stay-in-place orders and quarantines, with those in field operations observing all sanitary norms. In 2021, the Company kept safety measures in place for continuity of business operations.

In addition, during 2021, the Company also took a proactive position by promoting vaccination along with other measures aimed at securing employees' safety in line with the guidelines issued by the Government of Ukraine. The Group executed vaccination program for its employees at the local medical authorities. By the end of 2021, 92% of the employees in the corporate centre of the Group and 50% of the employees in the farms were vaccinated.

Since the start of the outbreak, there was no notable negative impact to AgroGeneration's operations, no change nor impact on the company's profitability position, and management does not see any material change to the company's business operations.

Should the situation worsen, the Covid-19 pandemic may have potential impacts on the financial statements: the company could potentially see an impact on future revenues, costs of inputs, timing of inputs supplies (and thus a change in yields), lower world crop prices, and increase storage costs. These and other factors could influence the cash flow of the company and the balance sheet. Management will continue to closely monitor the situation and assess the need for any future additional measures as the situation develops.

3. Financial risk management

3.1. Geopolitical risks in Ukraine

The Group conducts most of its operations in Ukraine. The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, relatively high level of inflation, and some imbalances in the public finance and international trade. Although Ukraine's economy demonstrated positive recovery trend in recent years, it has been growing well below potential and should have grown faster given the depth of its previous fall. Ukrainian government continued to pursue a comprehensive structural reform agenda aiming at the removal of the existing imbalances in the economy, public finance and governance, fighting corruption, reforming judiciary system, etc. with the ultimate goal to ensure sustainable economic growth in the country.

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

2021 Year-End Macroeconomic overview in Ukraine – pre-war status

The economy returned to growth in 2021 as activity recovered, easing COVID restrictions, with fiscal and monetary stimulus providing further support. Among the reasons are the high demand in the world for the products of domestic agro-industrial complex, record-high 2021 harvest, a much more stable banking system compared to previous crisis episodes, continued structural reforms in cooperation with international partners. The fiscal deficit shortened to -3.4 GDP in 2021 (vs. -5.3% GDP in 2020). Public debt reduced to 49.0% GDP in 2021 (vs. 61.0% GDP in 2020). During 2021, the hryvnya gained 3% vs the USD with UAH/USD rate declining from 28.2 as of the end of 2021 to 27.2 as of the end of 2021, but inflation increased to 9.4% in 2021 (from 3.2% in 2020) due to the aggravating of energy and food prices. According to IMF, Ukraine's unemployment rate insignificantly declined in 2021 and stayed at 9.8% (vs. 10.1% in 2020). As a result, after contracting by 3.8% in 2020, the Ukrainian economy returned to GDP growth of about 3.4% in 2021.

In November 2021, the International Monetary Fund (IMF) allocated the second tranche of $ 699 million to Ukraine and extended the program (18-month Stand-By Arrangement (SBA) with the total access of US$ 5 billion for a period of 5 years, approved in June 2020) until June 2022. The first tranche of this IMF loan of US$2.1 billion was received in June 2020. The funds aimed to help the authorities address the effects of the COVID-19 shock, sustain the economic recovery, and move ahead on important structural reforms to reduce key vulnerabilities. In March 2022, the Ukrainian authorities have canceled this SBA and have expressed their intent to work with the IMF to design an appropriate economic program aimed at rehabilitation and growth, when conditions permit.

The EU has already provided significant assistance to Ukraine in recent years. Since 2014, the EU and European financial institutions have allocated over €17 billion in grants and loans to the country. This figure includes the provision of €5.6 billion to Ukraine through five MFA programs to support the implementation of a broad reform agenda in areas such as the fight against corruption, an independent judicial system, the rule of law, and improving the business climate. Under the last MFA program for Ukraine, the EU disbursed €1.2 billion. The program ended in 2021, with Ukraine implementing all the conditions agreed in the Memorandum of Understanding in the areas of public finance management, governance and the rule of law, and improving the business climate.

In 2020, Ukraine started to adopt new land market reform. At the end of March 2020, the Verkhovna Rada approved the new law regarding the sale of agricultural land and opening of the land market. Adhering the reform, on July 1st, 2021, the moratorium for land sale had been removed (a moratorium on farmland sales in Ukraine has been in place since 2001 and affected close to 70% of the territory and 16% of the Ukraine's population, which could not freely dispose of their farmland plots) and the land market was opened. Under the new law the sale of land in one hand in the first two years after the start of the land reform is limited to 100 hectares, and only individuals who are Ukrainian citizens will be eligible to buy land until January 1st, 2024. Only after January 1st, 2024 Ukrainian legal entities will be allowed to buy land at a concentration of no more than 10,000 ha. The ban on sale of state and municipal agricultural land remains in force. Admission of foreigners to the purchase of land on the territory of Ukraine will be possible only after the relevant decision is taken through a national referendum. It was expected that the new land market reform would boost economic growth by as much as 3% p.a. and substantially increase the value of the economy.

War in Ukraine and Current Macroeconomic Situation

On 24 February 2022, Russian forces commenced a military invasion of Ukraine resulting in a full-scale war across the country. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. More than 4 million people have fled Ukraine, with over half crossing into Poland and many entering Hungary, Moldova, and Romania. In Ukraine, 6.5 million people are already estimated to be internally displaced and about one-third of the population requires emergency humanitarian assistance. Sea ports and airports are closed and have been damaged, as well as many roads and bridges have been damaged or destroyed, further aggravating transportation and logistics.

After the start of the war in Ukraine on February 24, 2022, the Ukrainian government, aiming to maintain macro stability and avoid a humanitarian catastrophe in the country, has implemented emergency measures to protect core government operations and ensure Ukrainians can continue to access cash and meet their most basic needs, in particular:

- Since 24 February, the official exchange rate has been fixed at UAH 29.25 for 1 USD, and the National Bank of Ukraine (NBU) introduced restrictions on the currency market for the protection of the Ukrainian financial system and its robust and stable operations.
- The central bank has postponed its key policy rate decision, and the key policy rate will therefore stay unchanged at 10% since the forced administrative restrictions are in place and till the events in Ukraine will come back to normal.
- The NBU has taken steps necessary to ensure uninterrupted cash and cashless payments and to support the continuous functioning of Ukraine’s banking system under martial law. The banking system remains stable and liquid; the payment system remains operational, banks are open.
- In March 2022, the Verkhovna Rada of Ukraine approved a set of taxation amendments to support Ukrainian businesses under war conditions. The law establishes a special economic regime during the period of martial law. According to the law, all companies with annual turnover of up to UAH 10 bln may now stop paying VAT and corporate profit tax (CPT), switching to a 2% turnover tax. Physically lost goods are not subject to VAT. Reimbursement of VAT for exporters is frozen. Private entrepreneurs (Group 1 and Group 2) are allowed to pay no taxes (and they are not expected to pay united social contribution during 1 year after martial law ends). For car fuel, excise tax is zeroed and VAT rate is decreased from 20% to 7%. Also, support of the national war effort is relieved from taxation.
- The Ukrainian government has introduced export licensing of key foodstuffs including wheat, corn, poultry meat, and sunflower oil.

Since the beginning of war in Ukraine, international organizations (IMF, EBRD, EU, World Bank), along with individual countries and charities, have provided Ukraine with bilateral and concessional financing, donations and material support. In total, international support has reached, according to publicly available sources, more than USD 15 billion to the date.

In February 2022, the European Commission approved a proposal for a new emergency macro-financial assistance (MFA) program for Ukraine of up to €1.2 billion. The MFA became available to Ukraine in the form of long-term loans on highly favorable terms in March 2022. They contributed to enhancing Ukraine's macroeconomic stability and overall resilience, in the context of the geopolitical uncertainty caused by Russia's military build-up in and around Ukraine and its impact on the economic situation. A first tranche of €600 million was disbursed in March 2022. The second tranche was disbursed in May 2022 following a positive assessment of the progress made by the Ukrainian authorities with the implementation of a limited number of agreed short-term policy measures.

In March 2022, the Executive Board of the IMF approved a disbursement of $1.4 billion under the Rapid Financing Instrument (RFI) for Ukraine to help meet urgent financing needs and mitigate the economic impact of the war.

In March 2022, the European Bank for Reconstruction and Development (EBRD) announced an initial €2 billion resilience package of measures to help citizens, companies and countries affected by the war on Ukraine. Ukraine is one of the Bank's biggest countries of operations, with cumulative lending of more than €16 billion in 511 projects since the EBRD started work in 1992, including more than €1 billion in 2021.

In June 2022, the World Bank approved $1.49 billion of additional financing for Ukraine under the Public Expenditures for Administrative Capacity Endurance in Ukraine Project. This new financing is part of the total support package of over $4 billion that the World Bank is mobilizing. Nearly $2 billion of this funding has been disbursed to the date. Since Ukraine joined the World Bank in 1992, the Bank's commitments to the country have totaled almost $16 billion in about 90 projects and programs, including the project earlier described. The World Bank's overall portfolio of projects in Ukraine supports improvements in basic public services, in areas such as water supply, sanitation, heating, power, energy efficiency, roads, social protection, education and healthcare, as well as private sector development.

According to leading world financial institutions (e.g. WB, IMF) latest available estimates, the Ukrainian economy is expected to contract by 35-45% in 2022. The International Monetary Fund predicts Ukraine's government debt to increase to 86.2% of the country's GDP in 2022 due to Russia's war (vs. 49% in 2021). The country's budget deficit may reach 17.8% (vs.-3.4% GDP in 2021). According to WB, although assessing the war's impact on poverty at this juncture is difficult, the baseline projection assumes Ukraine's poverty rate based on the $5.50 per day threshold will increase from 1.8 percent in 2021 to 19.8 percent in 2022. All in all, the magnitude of the Ukrainian economy contraction, however, is subject to a high degree of uncertainty related to the duration and intensity of the war, which is still ongoing. Further economic growth in the country depends upon the resolving the Russia invasion of Ukraine and upon success of the Ukrainian government in realization of new reforms and recovery strategy (incl. cooperation with the international funds) after stopping the invasion.

The known and estimable effects of the above events on the financial position and performance of the Group in the reporting period have been taken into account in preparing these consolidated financial statements. All farming subsidiaries of the Group are located in the Kharkiv oblast of Ukraine, where there is a high risk in the further escalation of military conflict, which is already in place since February 2022. As of December 31, 2021, the carrying value of the Group's assets located in the Kharkiv oblast was €71.6 m. Sowings of the Group in 2021 in Kharkiv oblast represented around 56,000 ha. To the date of these publication, on the back of war, the Group has constrainedly reduced its operational land assets to around 30,000 ha.

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

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

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

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

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

3.3. Risks related to changes in exchange rates

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

Ukraine operations

Starting July 9, 2012 the National Bank of Ukraine (NBU) fixed the exchange rate for USD / hryvnia at the rate of 7,993 hryvnia per 1 USD. On February 6, 2014 this measure was released and NBU stopped supporting the exchange rate of hryvnia. This measure together with the economic situation resulted in a sharp decline of hryvnia foreign exchange rate which reached 15,77 UAH/USD as of the end of 2014. During 2015 –2021 hryvnia continued its decline till 27,28 UAH/USD as of the end of 2021.

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

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

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

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

Financial debt

Interest rate risk sensitivity analysis

At December 31, 2021, if interest rates (for both variable-rate and fixed-rate borrowings) at that date had been 10 basis points higher/lower with all other variables held constant, interest expense for the year would have been € 245k higher/lower (December 31, 2020– €245k)).

Foreign currency exchange rate sensitivity analysis

The Group's foreign currency denominated monetary assets and liabilities as of December 31, 2021 consist of US dollar denominated loans and other debts. Other monetary assets and liabilities are not significant.

At December 31, 2021, if the USD had weakened/increased versus EUR by 10 per cent with all other variables held constant, pre-tax profit for the year would have been € 399k lower / higher.

3.4. Risks related to commodities price changes

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

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

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

The Group hedges against the pricing risk, making forward sales in Ukraine (sales at a fixed price with forward delivery, denominated in U.S. dollars) in the months prior to the harvest, so as to lock in its margin.

3.5. Liquidity risks on crop financing

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

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

The Group continues collaboration with Ukrainian private bank, Alfa-Bank Ukraine. Stable financial position at the end of 2021 enabled the Group to reduce its debt burden and no new tranches have been attracted as of December 31, 2021. As of the date of publication of these Financial Statements Alfa Bank confirmed its ability to continue financing to the Group under the current situation of military invasion of Ukraine.

In addition to the above elements, the Group is putting in place alternative sources of financing, such as prepayments of forward contracts and the use of guaranteed promissory notes and extended credit terms provided by some of the input suppliers. These additional sources of financing give additional comfort to continue normal operations through the harvest season.

3.6. Counterparty risks

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

3.7. Capital repatriation risks

Risks related to repatriation of capital come from the investments in its Ukrainian subsidiaries. To date, foreign groups are able to repatriate their capital through dividend payments or the repayment of shareholder loans without tax implications. AgroGeneration finances most of its investments in Ukraine via shareholder loans, normally through its Cypriot entities. The capital repatriation risks are linked to these investments. Possible changes in the political environment in Ukraine or in Cyprus could lead to restrictions on repatriation of capital invested in this country.

4. Critical accounting judgments and estimates

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

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

4.1. Impairment test on intangible assets

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

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

The Group's biological assets are measured at fair value less costs to sell at each balance sheet date. The fair value of biological assets varies according to climatic conditions during growth and harvest, yield potential and price development. A change in any of these estimates could lead to a material change in the income statement. If the management team's assumptions as of December 31, 2021, would have been by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 1 932 k.

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

4.3. Equity-settled share-based transactions

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

4.4. Fair value of fixed assets

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

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

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

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

Based on the results of the review, the Group concluded that the carrying amount of building, constructions, machinery and equipment and other assets does not materially differ from the fair value as of December 31, 2021.

5. Restatement of the measurement of right-of-use assets and liabilities related to the land lease agreements according to IFRS 16 Leases

The Group has applied IFRS 16 Leases starting from January 01, 2018 using the modified retrospective approach, under which the right-of-use assets have been recognized at the date of initial application at an amount equal to the lease liability.

Estimation of Lease liabilities for right-of-use assets was based on contractual terms since the inception of application of IFRS 16 Leases. However majority of land lease agreements were concluded away back that caused a lag between contractual terms and evolving market conditions. Actual payments to landholders are higher than those stipulated in the contracts and reflect additional component attributable to market growing tendency. That additional component, as non-contractual, was initially treated out of scope of IFRS 16.

In 2021, based on the analysis of the land lease market evolvement, legal aspects of cooperation of landholders and lessees, and development of terms of the agreement between the Group companies and the landlords, the Group has modified it's approach. This modification provides to include the full actual land lease payment to the measurement of lease assets and liabilities related to land lease under IFRS 16 Leases.

IFRS 16 provides that measurement of the lease liabilities includes variable lease payments that depend on an index or a rate or payments that vary to reflect changes in market rental rates. The characteristic of the land lease rate paid by the Group is largely driven by the market and reflects the nature of this rate as the variable rental rate of the evolving market. Encompassing of the market lease rate, which exceeds contractual rate usually pre-set a few years back, improves the condition of landholders and is aimed at maintaining a balance of property interests of the contractual parties. The Group considers that to act in a manner consistent with Ukrainian land lease practices, which is undertaking constructive obligation to pay market rental rate, allows to conduct operational activities based on good standing cooperation with the landholders.

Furthermore, in order to strengthen its legal position, the Group is gradually implementing the provisions to validate land lease payable at market rates into the existing and new land lease agreements with the landholders.

To summarize : conventional circumstances and peculiarities of Ukrainian agricultural land lease market, correspondent taxation of the full amount of land lease landholders' income, historical cooperation of the Group with the landholders, and strengthening of legal provisions of the agreements with the landholders - all these factors provide ground for the modification of measurement of land lease assets and liabilities.

Upon modification of the approach, the Group includes for the measurement of land lease liabilities all variable lease payments to reflect changes in market rent rates.

The Group believes that the modified approach provides more complete, relevant and useful information for the stakeholders of financial information.

As such this modification represents change in accounting policy and is applied retrospectively since the initial application of IFRS 16 Leases (according to IAS 8). The opening balances and other comparative amounts disclosed for prior periods presented in this Financial Statements have been adjusted correspondingly.

Effects of the changes on the consolidated statement of financial position as at 31 December 2020 are presented below:

Restatement of Balance Sheet lines as of 31.12.2020	31.12.2020 published	IFRS 16 restatement effect	31.12.2020 restated
Non-current assets	***39 247***	***4 338***	***43 585***
Intangible assets	11 009	-	11 009
Right-of-use assets (Land)	8 769	4 338	13 107
Property, plant and equipment	19 469	-	19 469
Current assets	***27 360***	***(257)***	***27 103***
Inventories	12 536	(193)	12 343
Financial assets current	342	-	342
Biological assets	8 443	-	8 443
Trade and other receivables	1 757	(64)	1 693
Cash and cash equivalents	4 282	-	4 282
Total assets	**66 607**	**4 081**	**70 688**
Share capital	11 079	-	11 079
Share premium	225 042	-	225 042
Other reserves	(118 608)	-	(118 608)
Revaluation reserve	33 699	-	33 699
Retained earnings as of January 1, 2020	(83 341)	(754)	(84 095)
Currency translation differences	(35 808)	216	(35 592)
Net Income for the year 2020	2 648	(315)	2 333
Total equity	**34 711**	**(853)**	**33 858**
Non-current liabilities	***9 586***	***4 119***	***13 705***
Non current borrowings	481	-	481
Non-Current Lease Liabilities for right-of-use	9 000	4 119	13 119
Deferred tax liabilities	105	-	105

Current liabilities	**22 310**	**815**	**23 125**
Provisions	645	-	645
Current borrowings	15 111	-	15 111
Current Lease Liabilities for right-of-use	1 527	932	2 459
Trade and other payables	5 027	(117)	4 910
Total liabilities	**31 896**	**4 934**	**36 830**
Total equity and liabilities	**66 607**	**4 081**	**70 688**

Effects of the changes on the consolidated income statement for the year ended 31 December 2020:

Restatement of Income Statement lines for the year 2020	FY 2020 published	IFRS 16 restatement effect	FY 2020 restated
Revenue	39 146	-	39 146
Change in fair value of biological assets and finished goods	10 044	307	10 351
Cost of sales	(32 722)	-	(32 722)
Gross profit	**16 468**	**307**	**16 775**
Selling, general and administrative expenses	(4 876)	-	(4 876)
Other income (expenses) net	(370)	-	(370)
Profit before interest and tax	**11 222**	**307**	**11 529**
Financial net expenes	(9 174)	(622)	(9 796)
Income tax expenses	600	-	600
Profit / (loss) for the period	**2 648**	**(315)**	**2 333**

6. Events after the balance sheet date

6.1. Military invasion of Ukraine and Going concern risks

On 24 February 2022 Russian Federation launched a full-scale military invasion of Ukraine, followed by intense military actions unfolded in a number of regions of the country, mainly in the East and in the South of Ukraine. The Kharkiv region, where all the land assets managed by the Group are located, is among those territories where active military conflict is still underway. Shelling and bombing in Kharkiv and in the Kharkiv region occur daily numerous times during the day. As of June 2022, over 30% of territory of the Kharkiv region was occupied by Russian Federation troops. Up to 7,500 buildings on non-occupied territory of the region were destroyed or significantly damaged. Up to 4,000 civils in the Kharkiv region were injured and over 1,500 civils were killed.

Following these events, the Group also suffered a significant negative impact from hostilities and occupation by Russian troops, which accurate amount and value cannot be calculated as the war is still undergoing. To the date of this publication, out of total farmlands operated by AgroGeneration as of the beginning of Russian invasion of Ukraine almost 20% of the farmlands are currently located in territories not controlled by Ukraine. All operational activities in such areas were suspended by the Group since the very beginning of war. Around 27% of the Group's farmlands are located in the zone of the intense military activities (at the frontline), affected by regular air raids, artillery and rocket attacks, thus all operations were suspended in such areas as well for safety reasons. On around 53% of the farmlands, managed by the Group, operational activities are continued. All in all, to the date of this publication, according to preliminary management estimate, the Group lost around 26k hectares of operated lands for 2022 crop, including both a part of farmlands engaged with winter wheat sowings (sown in autumn 2021) and those lands prepared for spring sowing campaign but where it was not executed due to war. Total incurred costs on mentioned lost lands came to 7.2M USD, as of July 2022.

Besides, according to management estimates, approximately 40% of all machinery, equipment, buildings and other infrastructure of the Group is currently located in occupied zone or was destroyed / heavily damaged from the beginning of Russian invasion. No access to the majority of the assets located on the occupied area raises concerns about the future condition of those assets and the security of the inventory stored there, thus the management considers such assets to be lost. In addition, the management of the Company is already aware about the facts of stolen machinery and equipment by Russian troops, which was moved from temporarily occupied territory in Ukraine to Russian Federation. Due to the rocket attacks, damages of the Group's critical facilities and infrastructure, located in areas controlled by Ukraine, but at the frontlines and 30-40 km beyond it, took place to the date. Still, for the moment it is impossible to evaluate accurately the amount and value of total damages and losses of machinery fleet (including spare parts) and infrastructure due to limited access to the farms on the back of regular shelling. According to the Group’s internal preliminary estimates, the book value of considered to be lost machinery came to around 6M USD. Replacement value of equivalent number of the new machinery may come to over 20M USD.

To the date of this publication, approximately 6.6k tons of commodity stocks of 2021 crop (with an estimated value of around 2.9M USD), stored in the regions partially controlled by Russia or at the frontlines, were destroyed, stolen by Russian troops, or considered to be lost.

The Sales of the Group have been almost suspended since the beginning of the Russian military invasion of Ukraine due to closed seaports, minimal railroad capacity and destroyed infrastructure all over Ukraine followed by the absence of demand and oversupply in the country. Export capacity through the western borders of Ukraine is sharply limited. As of the date of this publication, the Group slowly sells the stocks of 2021 harvest with crop prices significantly lower as compared with before the war period values due to the Group’s inability to export as well as due to local oversupply of grains, which puts pressure on the selling prices in Ukraine. Approximate estimation of losses in revenues comes to 3.2M USD value.

In total, as of today, the management considers around 19M USD loss amount in monetary terms from war implications, including lost crops, damaged machinery and infrastructure, inventories, inputs, etc. To the date, there is no possibility to accurately confirm this amount, as intense military activities are in place in the location of Group’s assets, thus life safety risks are extremely high.

In response to these matters, the business processes within the Company have been rebuilt to adjust to the existing challenges and to provide continuity to the Group’s activities. The Group has taken the following actions:

- The Group’s key personnel and top managers continue working but remotely. To the date of this publication, over 50% of Group’s staff, have been evacuated or have left their homes since the beginning of war. The Group's corporate office in Kharkiv was hit by explosion in early March 2022. Significant damages, absence of electricity, continuous shelling in the center of city, where the office is located, make it impossible to renew the presence of employees at the office for the moment. The Group's key priority is the safety and security of its employees and their families. AgroGeneration paid two-month salaries to all employees of the Group located in Ukraine in advance at the beginning of March 2022. In addition, the Group contributes to support Ukrainian armed forces and civilians via the financing of charity funds and direct support to villages where the Group operates.

- The spring sowing campaign was completed in May 2022; the Group had sufficient seeds, fertilizers, fuel, pesticides and other inputs required for the sowing season, as well as the necessary vehicles, agricultural machinery and human resources. In total, the Group currently plans to harvest around 30k hectares (vs. 56k hectares in 2021) of its landbank (spring and winter crops) in 2022.
- Selling, general and administrative and other operating expenses, as well as CAPEX, have been reduced to the minimum required to meet the primary needs of the Group's core business.
- Thanks to strong cash position of the Group at the end of 2021 (on the back of successful 2021 crop season and absolutely remarkable selling crop prices), the management of the Company was able to cover all operational expenses, including execution of 2022 spring sowing campaign in extremely difficult conditions of war and under significant loss occurred in the H1 2022, and expects to be able to finish 2022 without cash deficit despite foreseen significant deterioration of production performance of the Group on the back of war. Still, to strengthen its cash position (and compensate up to 6M USD of lost revenues in H1 2022 due to lost stocks and significantly reduced local crop selling prices) the management of the Company considers attracting of external financing from available sources: either from Alfa bank or from trading partner, as the Group did in the past years. The Group plans to withdraw up to 4M USD in H2 2022.

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

- further development of the war and the military invasion of Ukraine will enable utilization of at least 53% of the Group's production facilities;
- ability to run harvesting and sowing campaigns on at least around 30k hectares of the Company's land bank;
- all of the Group's assets available for the date of the forecasts development remain safe and in good condition;
- remaining logistic routes (rail and road) will continue to be available;
- remaining 3rd party storage capacities will continue to be available;
- the Group will be able to procure sufficient levels of inputs (seeds, fertilizers, plant protection materials, fuel and other inputs for grain growing) for 2023 crop production;
- the Group will be able to successfully obtain negotiated with the banking partner new financing in Q3 2022 to finance operating activities of the Group.

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

7. Summary of significant accounting policies

The principal accounting policies applied are summarized below.

7.1. Basis of preparation and changes in accounting policies

AgroGeneration's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU) as of December 31, 2021. They comprise (i) the IFRS, (ii) the International Accounting Standards (IAS) and (iii) the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

The Group's Consolidated Financial Statements include the Financial Statements of AgroGeneration and those of all its subsidiaries as of December 31, 2021. The Financial Statements of the subsidiaries are prepared for the same accounting period as those of the parent company and are based on the same accounting policies.

The IFRS accounting policies used by AgroGeneration in the preparation of these Consolidated Financial Statements as of December 31, 2021 are the same as for 2020 ones presented, except for those pertaining to the effect of the new or amended standards or interpretations detailed below.

Standards and amendments pronouncements in the European Union for financial period beginning on or after January 1, 2021

New or revised standards

Endorsed by EU

- IFRS 17 – Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023).

Amendments to the standards
Endorsed by EU

- Amendments to IFRS 3 – Reference to the Conceptual Framework (applied for annual periods beginning on or after 1 January 2022).
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (applied for annual periods beginning on or after 1 January 2022).
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract (applied for annual periods beginning on or after 1 January 2022).
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (applied for annual periods beginning on or after 1 January 2022).
- Amendments to IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (applied for annual periods beginning on or after 1 January 2022).
- Amendment to IFRS 16 Leases – treatment of lease incentives (applied for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 41 Agriculture – Taxation in fair value measurements (applied for annual periods beginning on or after 1 January 2022)
- Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions (the amendment is effective 1 June 2020 but, to ensure the relief is available when needed most, lessees can apply the amendment immediately in any financial statements—interim or annual).
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 (applied for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 4 - Extension of the Temporary Exemption from Applying IFRS 9 (applied for annual periods beginning on or after 1 January 2023)
- Amendment to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (applied for annual reporting periods beginning on or after 1 April 2021)

Not yet endorsed by EU

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (applied for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8 - Definition of Accounting Estimates (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applied for annual reporting periods beginning on or after 1 January 2023)
- Amendment to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 — Comparative Information (applied for annual reporting periods beginning on or after 1 January 2023)

These standards did not have and are not expected to have material effect on the Group's financial statements.
In 2021 the Group has changed its accounting policy for finance lease liabilities and correspondent right-of-use assets in accordance with IFRS 16. This modification provides to include the full actual land lease payment, as opposed to contractual only, to the measurement of right-of-use assets and lease liabilities. Please refer for more details to the Note 5 of these Financial Statements.

7.2. Consolidation

(a) Subsidiaries

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group does not exert joint control over any of the entities within its scope of consolidation as at December 31, 2021.

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

(b) Accounting for business combinations

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

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

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

7.3. Foreign currency translation

(a) Functional and presentation currency

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

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

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

(b) Foreign transactions

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

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

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

(c) Translation of Financial Statements expressed in foreign currencies

The income statements and statements of financial position of all Group entities that have a functional currency different from the presentation currency (none having a currency of a hyperinflationary economy as of December 31, 2021) are translated into the presentation currency as follows:

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

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

	December 31, 2021		December 31, 2020	
Monetary unit per € 1	**Average**	**Closing**	**Average**	**Closing**
Ukrainian Hryvnia (UAH)	32,30	30,92	30,80	34,74
American Dollar (USD)	1,18	1,13	1,14	1,23

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

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

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

7.4. Intangible assets

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

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

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

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

7.5. Property, plant and equipment

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

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

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

Fixed assets are depreciated over their estimated useful lives:

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

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

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

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

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

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

7.6. Impairment of non-financial assets

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

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

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

7.7. Agriculture

(a) Definitions

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

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

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

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

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

(b) Biological assets

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

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

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

(i) *Crops in fields*

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

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

As of December 31, 2021, the Group had identified for each type of plant growing biological asset their respective principle market, and measures their fair value based on the following:

in determining prices

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

in determining yields

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

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

(ii) *Livestock*

The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit. Cattle, for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable, are measured using the present value of expected net cash flows from the asset discounted at a current market-determined pre-tax rate.

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

(c) Agricultural produce

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

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

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

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

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

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

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

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

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

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

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

Amounts recognized in profit or loss

(in thousands of Euros)	2021
Interest on lease liabilities	3 100
Additional lease payments not contractual and not included in the measurement of lease liabilities*	-
Income from sub-leasing right-of-use assets	71
Expenses relating to short-term leases	132

*Estimation of Lease liabilities for right-of-use assets was based on contractual terms until 2020 inclusive. However, majority of land lease agreements were concluded away back that caused a lag between contractual terms and current market conditions. Actual payments to landholders are higher than those stipulated in the contracts. That additional component is attributable to market growing tendency. Beginning January 1, 2021 the Group has changed its accounting policy to estimate lease liabilities based on actual payment terms substantiating that the full payment is constitutes irrevocable liability within the meaning of IFRS 16. As such, additional lease payments are included in the measurement of the lease liabilities within the scope of IFRS 16 Leases. Please refer for more details to the Note 5 of these Financial Statements.

Amounts recognized in the statement of cash flows

(in thousands of Euros)	2021
Total cash outflow for leases	6 005

7.9. Government grants

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

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

7.10. Inventories

(a) Raw material and other supplies

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

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

(b) Finished goods (agricultural produce)

Cf. note 7.7 (c) – Agriculture.

(c) Work in progress

Cf. note 7.7 (d) – Agriculture.

7.11. Share capital

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

7.12. Current and deferred income tax

(a) General tax treatment

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

The tax rates applicable on December 31, 2021 are 26,5% in France, 18% in Ukraine (see (b) Agricultural tax schemes for agricultural concerns in Ukraine) and 12,5% in Cyprus.

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when:

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

(b) Agricultural tax scheme for agricultural companies in Ukraine

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

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

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

Among the 9 legal entities that the Group controls in Ukraine as of December 31, 2021, 6 are involved in agricultural production and are eligible for the special tax regime for agricultural companies in Ukraine in 2021.

7.13. Employees benefits

(a) Pension obligations

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

(b) Termination benefits

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

7.14. Provisions

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

7.15. Revenue

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

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

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

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

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

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

7.16. Share-based payment

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

8. Segment reporting

As of December 31st, 2021, The Group had one operating segment in Ukraine, which was composed of 9 legal entities operating around 56 000 hectares of farmland.

9. Intangible assets and land leases

(in thousands of Euros)	Gross value			Depreciation			Net Book Value		
	Goodwill (1)	Others (2)	Total	Goodwill	Others	Total	Goodwill	Others	Total
December 31, 2019	**19 435**	**623**	**20 058**	**(7 738)**	**(425)**	**(8 163)**	**11 697**	**198**	**11 896**
Change in scope	-	-	**-**	-	-	**-**	-	-	**-**
Purchases of assets	-	4	**4**	-		**-**	-	4	**4**
Depreciation	-	-	**-**	-	(45)	**(45)**	-	(45)	**(45)**
Exchange rate differences	(804)	(106)	**(910)**	-	65	**65**	(804)	(41)	**(845)**
Disposals of assets	-	(192)	**(192)**	-	192	**192**	-	-	**-**
December 31, 2020	**18 631**	**329**	**18 960**	**(7 738)**	**(213)**	**(7 951)**	**10 893**	**116**	**11 009**
Change in scope	-	-	**-**	-	-	**-**	-	-	**-**
Purchases of assets	-	32	**32**	-	-	**-**	-	32	**32**
Depreciation	-	-	**-**	(11 208)	(40)	**(11 248)**	(11 208)	(40)	**(11 248)**
Exchange rate differences	315	44	**359**	-	(27)	**(27)**	315	17	**332**
Disposals of assets	-	(1)	**(1)**	-	1	**1**	-	-	**-**
December 31, 2021	**18 946**	**404**	**19 350**	**(18 946)**	**(279)**	**(19 225)**	**-**	**125**	**125**

(1) Goodwill - Impairment test

The group historically used to test annually whether goodwill has suffered any impairment. Cash-generating unit (CGU) for the goodwill impairment test was determined to be equal to the operating segment "Ukraine" (Note 8).

The *recoverable amounts* of cash-generating units historically used to be determined based on value-in-use calculations. Value in use was determined using the method of discounted cash flows (DCF) based on operational forecasts.

The main assumptions and the total amount recoverable obtained historically used to be compared with Market Capitalization for the reasonableness check.

Since the end of 2021, the political risks and risks of escalations with Russia have been intensifying, turning to the full-scale military Russian invasion of Ukraine on February 24, 2022 (please refer to the details to the Notes 3.1 and 6.2).

The force-majeure situation in Ukraine and for the AgroGeneration particularly has undermined viability to make any long-term operational forecasts for AgroGeneration, which constrainedly lost almost half of its operated farmlands.

Furthermore, continued war has significantly undermined the world economy, being reflected among others in volatility of commodity prices, disrupted supply channels, inflation rates.

The main assumptions that are usually used for the purpose of impairment test include: budgeted operational forecasts for the next five years with the solid understanding of the area of farmlands operated (defined CGU), yields, input and output prices, long-term WACC of the Group. Long-term projections of these parameters as of December 31, 2021, are not verifiable since are subject to the significant uncertainties as the result of the worldwide negative consequences of the war. The degree of subjectivity (without objective / realistic assumptions applied) limits the effectiveness of the testing.

In a view of the limitations to make reliable long-term projections and estimates for the CGU - full operational scope – operated as of December 31, 2021, the Group is not capable to test goodwill for impairment.

Being objectively restricted to conduct reliable and effective testing to confirm the book value of the goodwill and referring to the increasing risks in Ukraine as of 31.12.2021 the Group recognises impairment of the goodwill in the full amount of EUR 11,2 million.

(2) Other intangible assets include administrative software and prepaid expenses for leasehold rights.

10. Right of use assets (Land)

(in thousands of Euros)	Gross value	Depreciation	Net value
December 31, 2019 - as restated (Note 5)	**23 813**	**(5 943)**	**17 870**
Additions	89	-	89
Disposals	(99)	78	(21)
Depreciation	-	(3 011)	(3 011)
Exchange rate differences	(5 933)	1 715	(4 218)
Other changes	2 048	349	2 398
December 31, 2020 - as restated (Note 5)	**19 919**	**(6 812)**	**13 107**
Additions	82	-	82
Disposals	(27)	7	(20)
Depreciation	-	(3 150)	(3 150)
Exchange rate differences	2 501	(939)	1 562
Other changes	887	918	1 805
December 31, 2021	**23 362**	**(9 976)**	**13 386**

11. Property, plant and equipment

(in thousands of Euros)	Gross value					Depreciation				Net Book Value				
	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Construction in progress and prepayments	Total	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Total	Build-ings	Agricultu-ral machinery and others	Right-of-use Assets	Construction in progress and prepayments	Total
December 31, 2019 – as restated (Note 5)	**9 317**	**16 226**	**4 471**	**26**	**30 040**	**(1 507)**	**(8 238)**	**(1 868)**	**(11 613)**	**7 810**	**7 988**	**2 603**	**26**	**18 426**
Change in scope	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**
Revaluation to fair value	767	7 404	436	(7)	**8 600**				**-**	767	7 404	436	(7)	**8 600**
Impact of revaluation on depreciation	(1 683)	(8 081)	(879)	-	**(10 643)**	1 683	8 081	879	**10 643**	-	-	-	-	**-**
Purchases of assets	126	303	16	682	**1 127**	-	-	-	**-**	126	303	16	682	**1 127**
Depreciation	-	-	-	-	**-**	(658)	(2 895)	(592)	**(4 145)**	(658)	(2 895)	(592)	-	**(4 145)**
Exchange rate differences	(2 230)	(3 830)	(942)	(80)	**(7 082)**	429	2 237	421	**3 087**	(1 801)	(1 593)	(521)	(80)	**(3 995)**
Disposals of assets	(146)	(897)	(881)	-	**(1 924)**	62	565	742	**1 369**	(84)	(332)	(139)	-	**(555)**
Other movements	16	133	(121)	(21)	**7**	(9)	(20)	32	**3**	7	113	(89)	(21)	**10**
December 31, 2020 – as restated (Note 5)	**6 167**	**11 258**	**2 100**	**600**	**20 125**	**-**	**(270)**	**(386)**	**(656)**	**6 167**	**10 988**	**1 714**	**600**	**19 469**
Change in scope	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**
Purchases of assets	479	1 374	1 174	69	**3 096**	-	-	-	**-**	479	1 374	1 174	69	**3 096**
Depreciation	-	-	-	-	**-**	(834)	(4 578)	(515)	**(5 927)**	(834)	(4 578)	(515)	-	**(5 927)**
Exchange rate differences	780	1 487	297	47	**2 611**	(37)	(232)	(46)	**(315)**	743	1 255	251	47	**2 296**
Disposals of assets	(53)	(294)	-	(38)	**(385)**	6	150	-	**156**	(47)	(144)	-	(38)	**(229)**
Other movements	-	1 113	(395)	(658)	**60**	-	(17)	570	**553**	-	1 096	175	(658)	**613**
December 31, 2021	**7 373**	**14 938**	**3 176**	**20**	**25 507**	**(865)**	**(4 947)**	**(377)**	**(6 189)**	**6 508**	**9 991**	**2 799**	**20**	**19 318**

Property plant and equipment comprise owned and leased assets.

(in thousands of Euros)	**December 31, 2021**
Property plant and equipment owned	16 519
Right-of-use assets	2 799
Total Property plant and equipment	**19 318**

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

Right-of-use assets

(in thousands of Euros)	Land	Buildings	Agricultural machinery	Total
Balance as of December 31, 2019 - as restated (Note 5)	**17 870**	**661**	**1 942**	**20 473**
Transfer to property plant and equipment owned	-	-	(71)	(71)
Revaluation to fair value	-	-	436	436
Additions	89	-	16	105
Disposals	(21)	(139)	-	(160)
Depreciation charge for the year	(3 011)	(267)	(325)	(3 603)
Exchange rate differences	(4 218)	(98)	(423)	(4 739)
Other changes	2 398	(18)	-	2 380
Balance as of December 31, 2020 - as restated (Note 5)	**13 107**	**139**	**1 575**	**14 821**
Transfer to property plant and equipment owned	-	-	(366)	(366)
Additions	82	-	1 174	1 256
Disposals	(20)	-	-	(20)
Depreciation charge for the year	(3 150)	(184)	(331)	(3 665)
Exchange rate differences	1 562	34	217	1 813
Other changes	1 805	541	-	2 346
Balance as of December 31, 2021	**13 386**	**530**	**2 269**	**16 185**

Leases of buildings – mainly represents rent of offices.

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

Land leases – mainly rent of land for agricultural purposes.

The total net carrying amount of tangible assets pledged as of December 31, 2021 amounts to €6 649k (€ 1 676k pledge on buildings, and € 4 973k pledge on agricultural machinery and other tangible fixed assets).

12. Financial assets

(in thousands of Euros)	Non-current			
	Non-consolidated subsidiaries (1)	Other financial assets (2)	Term deposit (3)	Total
December 31, 2019	**66**	**22**	**303**	**391**
Change in scope	-	(10)	-	**(10)**
Purchases of financial assets	-	1	551	**552**
Disposals of financial assets	-	(7)	(440)	**(447)**
Other transactions	(57)	(2)	-	**(59)**
Exchange rate difference	(9)	(4)	(72)	**(85)**
December 31, 2020	**-**	**-**	**342**	**342**
Purchases of financial assets	-	3 817	42	**3 859**
Disposals of financial assets	-	(1 275)	(368)	**(1 643)**
Other transactions	-	-	-	**-**
Exchange rate difference	-	105	28	**133**
December 31, 2021	**-**	**2 647**	**44**	**2 691**

(1) Non-consolidated subsidiaries included 8,96% shares of Agro-Farm, acquired in March 2013. It was disposed due to disposal of Agro Dom Plus in 2020.

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

(3) As of December 31, 2021 the Group had some short-term deposits.

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

(in thousands of Euros)	Financial assets		
	Non-current financial assets	Current financial assets	Total
Balance as of December 31, 2020	**-**	**342**	**342**
Purchase of financial assets	-	3 859	**3 859**
Disposal of financial assets	-	(1 643)	**(1 643)**
Foreign exchange adjustments	-	133	**133**
Balance as of December 31, 2021	**-**	**2 691**	**2 691**

13. Corporate income tax

13.1. Analysis of Income tax expense – Tax proof

Breakdown of income tax expense is presented below:

(in thousands of euros)	December 31, 2021	December 31, 2020
Current taxes	-	85
Deferred taxes	133	515
Total income taxes from continued operations - (expense)/gain	**133**	**600**

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

(in thousands of euros)	December 31, 2021	December 31, 2020
Accounting profit before tax	14 089	2 048
Accounting profit before tax	**14 089**	**2 048**
French corporate tax rate	25,00%	25,00%
Theoretical income tax (expense) / gain	**(3 522)**	**(512)**
Impact from:		
profit/(losses) of agricultural producers exempt from taxation in Ukraine (cf. Note 7.12)	4 780	1 635
unrecognised deferred tax assets and unused tax losses	(319)	(666)
permanent differences between accounting profit and taxable profit	(4 157)	(1 930)
used tax losses	1 529	1 783
difference between French and foreign tax rates	1 802	290
Gain / (loss) out of effective taxation	**113**	**600**
Income tax (expense) / gain reported in the consolidated income statement	113	600

For more details refer to note 7.12.

14. Inventories

	December 31, 2021			December 31, 2020 restated (Note 5)		
(in thousands of Euros)	*Gross Value*	*Depreciation*	***Net value***	*Gross Value*	*Depreciation*	***Net value***
Raw materials and other supplies	1 026	(138)	**888**	1 607	(122)	**1 485**
Works in progress	6 008	-	**6 008**	3 500	-	**3 500**
Agricultural produce	19 575	-	**19 575**	7 359	(1)	**7 358**
Total	**26 609**	**(138)**	**26 471**	**12 466**	**(123)**	**12 343**

Raw materials and other supplies are inputs to be used in the agricultural campaign 2021/2022, including purchased seeds, fertilizers, fuel, spare parts and other suppliers. ***Work in progress*** includes costs accumulated before crop sowing.

As of December 31, 2021, ***agricultural produce*** representing €19 575 k, is substantially made up of 53 710 tons of crops mainly from the 2021 harvest (29 612 tons as of December 31, 2020) (cf. Note 15 Biological assets).

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

As of December 31, 2021, no finished goods has been pledged for the trade financing credit facility ((€4 328k (16 800 tons) of finished goods has been pledged as of December 31, 2020).

15. Biological assets

	December 31, 2021			**December 31, 2020** *restated (Note 5)*		
(in thousands of Euros)	*Biological assets at cost*	*Adjustment to fair value*	***Fair value***	*Biological assets at cost*	*Adjustment to fair value*	***Fair value***
Non-current						
Crops in fields	-	-	-	-	-	-
Livestock	-	-	-	-	-	-
Total non-current biological assets	-	-	-	-	-	-
Current						
Crops in fields	5 137	7 189	12 326	3 313	5 114	8 427
Livestock	14	-	14	16	-	16
Total current biological assets	**5 151**	**7 189**	**12 340**	**3 329**	**5 114**	**8 443**
TOTAL BIOLOGICAL ASSETS	**5 151**	**7 189**	**12 340**	**3 329**	**5 114**	**8 443**

The Group's biological assets are cereals that are planted as of December 31, 2021 for harvest in the second half of 2022 in Ukraine.

The biological assets of the Group are measured at fair value less estimated costs to sell and are within level 3 of the fair value hierarchy (for more details refer to Note 7.7). At the balance sheet date, the fair value of ***the current crops in fields*** is determined on the basis of the planted area and the following significant unobservable inputs as of December 31, 2021:

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

	December 31, 2021				December 31, 2020			
	Cultivated area (in hectares)	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*	*Cultivated area (in hectares)*	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*
Winter Wheat	26 924	4,1	195	12 326	27 918	4,1	122	8 427
TOTAL	**26 924**			**12 326**	**27 918**			**8 427**

If the management team's assumptions as of December 31, 2021, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 1 932 k.

The following table represents movements in biological assets for the years ended December 31, 2020 and December 31, 2021:

(in thousands of Euros)	**Crops**	**Livestock**	**TOTAL**
Book value as of December 31, 2019	**8 437**	**172**	**8 609**
Current Biological Assets	8 437	62	8 499
Non-current Biological Assets	-	*110*	*110*
Reclassification of work in progress to biological assets	5 244	-	5 244
Costs incurred over the period	19 819	172	19 991
Biological assets decrease due to harvest	(33 568)	(301)	(33 869)
Gain/loss due to change in fair value	**10 351**	-	**10 351**
Exchange rate differences	(1 856)	(27)	(1 883)
Book value as of December 31, 2020 *as restated (Note 5)*	**8 427**	**16**	**8 443**
Current Biological Assets	8 427	16	8 443
Non-current Biological Assets	-	-	-
Reclassification of work in progress to biological assets	3 500	-	3 500
Costs incurred over the period	22 708	18	22 726
Biological assets decrease due to harvest	(43 049)	(23)	(43 072)
Gain/loss due to change in fair value	20 006	-	**20 006**
Exchange rate differences	734	3	737
Book value as of December 31, 2021	**12 326**	**14**	**12 340**
Current Biological Assets	12 326	14	12 340
Non-current Biological Assets	-	-	-

As of 31 December 2021, biological assets have not been pledged (€8 427k (27 918 ha) have been pledged for the trade financing credit facility as of December 31, 2020).

16. Trade and other receivables

(in thousands of Euros)	December 31, 2021	December 31, 2020 restated (Note 5)
Trade receivables	346	172
Prepayments to suppliers (1)	1 670	200
Other receivables	13	527
Social and tax receivables (excl. VAT receivables)	807	613
VAT receivables (2)	446	165
Prepaid expenses	12	16
Trade and other receivables	**3 294**	**1 693**

	December 31, 2021	December 31, 2020
Currency:		*restated (Note 5)*
Denominated in EUR	38	432
Denominated in USD	-	9
Denominated in UAH	3 256	1 252
Trade and other receivables	**3 294**	**1 693**

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

(1) The advances paid as of December 31, 2021 correspond to prepayments to suppliers of inputs for the 2022 harvest.

(2) The VAT receivable as of December 31, 2021 mostly includes:

€412k represents input VAT of Ukrainian entities.

€33k related to the input VAT of AgroGeneration SA.

17. Cash and cash equivalents

(in thousands of euros)	December 31, 2021	December 31, 2020
Cash at bank and in hand	4 408	4 282
Investment securities	-	-
Cash and cash equivalents	**4 408**	**4 282**

The Cash and cash equivalents are denominated in the following currencies as of December 31, 2021:

	December 31, 2021	December 31, 2020
(in thousands of euros)	Cash and cash equivalents	Cash and cash equivalents
Currency :		
Denominated in EUR	80	45
Denominated in USD	3 187	2 903
Denominated in UAH	1 141	1 334
Total	**4 408**	**4 282**

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

(in thousands of euros)		December 31, 2021					December 31, 2020 restated (Note 5)				
		Non-current	**Current**			**TOTAL**	**Non-current**	**Current**			**TOTAL**
		Borrow-ings	*Borrow-ings*	*Interest*	***Total***		**Borrow-ings**	*Borrow-ings*	*Interest*	***Total***	
ORNANE	(1)	-	-	-	-	-	-	611	-	**611**	**611**
Financial lease	(2)	**984**	458	-	**458**	**1 442**	**481**	272	-	**272**	**753**
Lease Liabilities for right-of-use assets	(2)	**13 770**	3 098	-	**3 098**	**16 868**	**13 119**	2 457	2	**2 459**	**15 578**
Bank borrowings	(3)	-	-	-	-	-	-	6 376	55	6 431	**6 431**
Other financial debt	(4)	-	6 215	74	**6 289**	**6 289**	-	6 215	1 582	**7 797**	**7 797**
Total borrowings		**14 754**	9 771	74	**9 845**	**24 599**	**13 600**	15 931	1 639	**17 570**	**31 170**

(1) ORNANE - refer to the Note 2.2 in the Consolidated financial statements as of December 31, 2018 for the description and Note 2.1 details of the final ORNANE agreement settlement.

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

(3) There have been no outstanding bank borrowings as of December 31, 2021 (borrowing from Alfa-Bank Ukraine of €6,4 m as of December 31, 2020).

In the scope of the borrowings with Alfa-Bank Ukraine, the Group had pledged part of its current and non-current assets including:

- Some of the Fixed assets (Buildings and Agricultural machinery; cf. Note 11)
- Some of the biological assets (cf. Note 15)
- Shares in Ukrainian and Cyprus subsidiaries
- Some of the inventories (cf. Note 14)

The shares in Harmelia and BAR, DON, POD, LAN, UNA, Tornado, BUR are pledged to the benefit of Alfa-Bank Ukraine as part of loan agreement.

The loans granted by the Alfa-Bank Ukraine are subject to covenants. The Group was not compliant with some of these covenants.

(4) Other financial debt relates to the borrowings from related party Konkur (€6.2m).

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

(in thousands of Euros)	**December 31, 2021**
Maturity analysis - contractual undiscounted cash flows	
Less than one year	5 786
One to five years	15 299
More than five years	9 638
Total undiscounted lease liabilities as of December 31, 2021	**30 723**

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

(in thousands of euros)	**2022**	**2023**	**2024**	**2025 and after**	**Total**
ORNANE	-	-	-	-	-
Financial lease	458	455	284	245	1 442
Bank borrowings	-	-	-	-	-
Other financial debt	6 289	-	-	-	6 289
Total borrowings	**6 747**	**455**	**284**	**245**	**7 731**

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

	December 31, 2021		**December 31, 2020** *restated (Note 5)*	
(in thousands of euros)	**Variable**	**Fixed**	**Variable**	**Fixed**
ORNANE	-	-	-	611
Bank borrowings	-	-	-	6 376
Financial lease	1 442	-	753	-
Lease liabilities for right-of-use assets	-	16 868	-	15 576
Other financial debt	-	6 215	-	6 215
Total borrowings	**1 442**	**23 083**	**753**	**28 778**

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

(in thousands of euros)	**December 31, 2021**	**December 31, 2020**
Currency:		*restated (Note 5)*
EUR	6 289	8 408
USD	1 442	7 184
UAH	16 868	15 578
Total borrowings	**24 599**	**31 170**

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

(in thousands of Euros)	ORNANE	Finance leases	IFRS 16 debts	Bank Borrowings and other financial debts	Total
Balance as of December 31, 2020 - *as restated (Note 5)*	**611**	**753**	**15 578**	**14 228**	**31 170**
Proceeds from borrowings	-	1 433	-	2 172	**3 605**
Repayment of borrowings	(1 363)	(849)	-	(9 059)	**(11 271)**
Payment of lease liabilities (IFRS16)	-	-	(6 005)	-	**(6 005)**
Interest accrued	-	163	3 100	937	**4 200**
Interest repaid	-	(163)	-	(2 500)	**(2 663)**
Foreign exchange adjustments	-	87	1 898	475	**2 460**
Other non-cash movements	752	18	2 297	36	**3 103**
Balance as of December 31, 2021	**-**	**1 442**	**16 868**	**6 289**	**24 599**

The average interest rates of the Group by currency are:

Currency	**December 31, 2021**	**December 31, 2020**
EUR	12,00%	10,93%
USD	10,75%	9,40%
UAH	19,71%	19,86%

19. Share Capital

	Share capital in euros	Number of shares	Share premium in euros
December 31, 2019	**11 079 319**	**221 586 387**	**225 041 745**
Additional shares issued (ORNANE full redemption)	-	-	-
December 31, 2020	**11 079 319**	**221 586 387**	**225 041 745**
Additional shares issued (ORNANE full redemption)	-	-	-
December 31, 2021	**11 079 319**	**221 586 387**	**225 041 745**

As of December 31, 2021, the financial instruments in circulation and the respective numbers of shares that could be issued by exercise of these instruments are presented below:

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

20. Provisions

(in thousands of euros)	Provisions for litigation	Provisions for liabilities and expenses	Total
December 31, 2019	**609**	**-**	**609**
Additionnal	-	40	**40**
Reversal (used)	-	-	**-**
Reversal (unused)	-	-	**-**
Exchange rate differences	-	(4)	**(4)**
December 31, 2020	**609**	**36**	**645**
Additionnal	-	26	**26**
Reversal (used)	(609)	(36)	**(645)**
Reversal (unused)	-	-	**-**
Exchange rate differences	-	-	**-**
December 31, 2021	**-**	**26**	**26**

The management closely monitors legal and tax litigations and assesses the relating risks (see note 3.2). During 2021 the Group has withdrawn from legal proceedings at the court by signing of the Settlement agreement with its counterparty EHGO. The settlement agreement have been fully executed by December 31,2021 (see note 2.1).

21. Trade and other payables

(in thousands of Euros)	December 31, 2021	December 31, 2020
		restated (Note 5)
Trade payables	961	1 686
Advance payments received	705	20
Social & tax payables	1 532	1 014
VAT payables	311	585
Deferred income	-	-
Other payables	128	417
Payables on the purchase of fixed assets	4	-
Payables under companies disposal terms (1)	872	1 188
Funding received from the trade partner (2)	2 750	-
Trade and other payables	**7 263**	**4 910**

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

(2) Funding received from the Ukrainian trade partner in the 4th quarter 2021 conditioned on the repayment in cash or by crop sale by the 4th quarter 2022.

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

(in thousands of Euros)	December 31, 2021	December 31, 2020
Currency:		restated (Note 5)
Denominated in EUR	570	1 440
Denominated in USD	-	781
Denominated in UAH	6 693	2 689
Trade and other payables	**7 263**	**4 910**

22. Financial assets and liabilities

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

Financial assets and liabilities by category and fair value as of December 31, 2021

(in thousands of Euros)	*Note*	Measured at amortised cost	Measured at fair value		Total carrying amount December 31, 2021	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7		
			through profit or loss	*through share-holders' equity*			*Level 1: quoted prices and cash*	*Level 2: valuation based on obser-vable market data*	*Level 3: valuation based on unobser-vable market data*
Assets									
Financial assets (non-current)	12								
Shares in non-consolidated subsidiaries									
Other financial assets									
Financial assets (current)	12								
Term deposits			44		44		44		
Other financial assets			2 647		2 647		2 647		
Trade and other receivables	16	359			359	359			
Cash and cash equivalents	17		4 408		4 408		4 408		
Liabilities									
OSRANE	18								
ORNANE	18								
Non-current and current bank borrowings	18	-			-	-			
Non-current and current financial lease	18	(1 442)			(1 442)	(1 442)			
Lease liabilities for right-of-use assets	18	(16 868)			(16 868)	(16 868)			
Other financial debt	18	(6 289)			(6 289)	(6 289)			
Trade and other payables	21	(4 715)			(4 715)	(4 715)			

Financial assets and liabilities by category and fair value as of December 31, 2020
restated (Note 5)

(in thousands of Euros)	*Note*	Measured at amortised cost	Measured at fair value: *through profit or loss*	Measured at fair value: *through share-holders' equity*	Total carrying amount December 31, 2020	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7: *Level 1: quoted prices and cash*	Financial instrument at fair value hierarchy under IFRS 7: *Level 2: valuation based on obser-vable market data*	Financial instrument at fair value hierarchy under IFRS 7: *Level 3: valuation based on unobser-vable market data*
Assets									
Financial assets (non-current)	12								
Shares in non-consolidated subsidiaries				-	-	-			
Other financial assets		-			-	-	-		
Financial assets (current)	12								
Term deposits			342		342		342		
Other financial assets									
Trade and other receivables	16	699			699	699			
Cash and cash equivalents	17		4 282		4 282		4 282		
Liabilities									
OSRANE	18		-				-		
ORNANE	18		(611)		(611)		(611)		
Non-current and current bank borrowings	18	(6 431)			(6 431)	(6 431)			
Non-current and current financial lease	18	(753)			(753)	(753)			
Lease liabilities for right-of-use assets	18	(15 578)			(15 578)	(15 578)			
Other financial debt	18	(7 797)			(7 797)	(7 797)			
Trade and other payables	21	(3 291)			(3 291)	(3 291)			

23. Revenues from operating activities

(in thousands of euros)	2021	2020
Sales of agricultural produce (1)	43 446	38 490
Services and others (2)	450	656
Total revenue from operating activities	**43 896**	**39 146**

(1) In 2021, AgroGeneration sold 135 013 tons of cereals and oilseeds

(2) The services are mainly composed of activities of drying, storage or loading grain for third parties.

Detail of revenue by geographical region:

(in thousands of euros)	2021	2020
Ukraine	43 896	37 517
France	-	1 629
Total revenue	**43 896**	**39 146**

Detail of revenue by harvest:

(in thousands of Euros)	2021	2020
Crops revenue	**43 439**	**38 319**
Harvest 2019		9 195
Harvest 2020	13 863	29 124
Harvest 2021	29 576	
Livestock	**7**	**171**
Services & Other	**450**	**656**
Total Revenue	**43 896**	**39 146**

There are three significant clients to which the Group sold the goods for €25,0 m in 2021 (two significant clients in 2020 with sales of €15,8m) which represent 57% (40% in 2020) of the total revenue. The revenue from other clients is individually less than 10%.

24. Functional costs / costs by nature

(in thousands of euros)	**2021**	**2020** *restated (Note 5)*
Cost of sales	(31 541)	(32 722)
Administrative & Selling expenses	(4 518)	(4 876)
Costs by function	**(36 059)**	**(37 598)**
Raw materials, purchases services and leasing	(13 022)	(18 245)
Personnel costs	(5 239)	(6 597)
Depreciation	(7 123)	(6 314)
Fair value and impairment adjustment (for goods sold)	(10 526)	(6 402)
Other expenses	(149)	(40)
Costs by nature	**(36 059)**	**(37 598)**

On average, in 2021 the Group had 714 employees.

25. Other income and expense

(in thousands of euros)	**2021**	**2020**
Proceeds from fixed assets sold	83	332
Other income	277	200
Other operating Income	**360**	**532**
Depreciation of goodwill	(11 208)	-
Net book value of fixed assets sold	(192)	(469)
Impairment from fixed assets revaluation	-	(290)
Other expenses	(60)	(143)
Other operating expenses	**(11 460)**	**(902)**
Other operating income and expenses	**(11 100)**	**(370)**

26. Net financial income / (expenses)

(in thousands of euros)		2021	2020 restated (Note 5)
Cost of debt	(1)	(1 154)	(2 320)
Foreign exchange gains and losses		2 342	(3 542)
realised foreign exchange gains/(losses)	(2)	*982*	*(2 422)*
unrealised foreign exchange gains/(losses)	(3)	*1 360*	*(1 120)*
Other		(3 842)	(3 934)
Net financial expense		**(2 654)**	**(9 796)**

Interest expense
Cost of debt is mostly composed of € 0,2 m interest on bank loans and of €0.7m of interest to related party Konkur.

Foreign exchange gains and losses
The Group's foreign currency denominated monetary assets and liabilities as of December 31, 2021 consist of USD and EURO denominated loans and other debts. Other monetary assets and liabilities are not significant.
Due to the impact of the current political situation on the volatility of Ukrainian hryvnia (cf. Note 3.3), the exchange rate Ukrainian hryvnia/USD fluctuated during the year and as of reporting date changed from 28,27 UAH/USD on December 31, 2020 to 27,28 UAH/USD on December 31, 2021.

(2) Realised foreign exchange gains and losses (net amount € 982k gain) generated by the Group in 2021 due to the change in foreign exchange rate between the dates when the liability/asset was recognised and when it was settled. Out of it, €293k of net realised exchange gain occurred on the repayment of bank loans, and €689k occurred on the repayment of ICO loans and sales and purchases transactions.

(3) Unrealised foreign exchange gains and losses generated by the Group in 2021 due to the translation of all monetary items of Ukrainian entities and holding companies (mostly bank loans and intercompany loans) from foreign currency (mostly USD) into functional currency (UAH and EUR respectively). Unrealised foreign exchange gain generated included:

- €85k gain mostly related to the bank loans and other debt;
- €1 275k gain related to the inter-company loans, interest on loans and other ICO debt between Ukrainian, Cyprus and French entities.

Other financial income/(expenses) in 2021 includes € 3 100k of the interest expenses related to the implementation of the IFRS 16 standard (€3 233 k in 2020)

27. Earnings per share

The basic earnings per share are calculated by dividing:

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

The diluted earnings per share are calculated by dividing:

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

(in thousands of euros)	**2021**	**2020**
Net consolidated income / (loss) - group from continued activity (K€)	14 202	2 648
Net consolidated income / (loss) - group from discontinued activity (K€)	-	-
Net consolidated income / (loss) - group share (K€)	**14 202**	**2 648**
Dilution impact (K€)	-	-
Net consolidated income / (loss) after dilution impact	**14 202**	**2 648**
Weighted average number of ordinary shares	225 593 381	227 233 309
Potential dilution	-	-
Weighted average number of shares after dilution impact	225 593 381	227 233 309
Net income / (loss) per share (Euros) - group share	**0,06**	**0,01**
Net income / (loss) per share (Euros) after dilution - group share	**0,06**	**0,01**
Net income/(loss) per share (Euro)	**0,06**	**0,01**
Net income/(loss) per share (Euro) after dilution	**0,06**	**0,01**

In 2021, the potential ordinary shares that would have been issued after the conversion of the stock-options, warrants or BSPCE are not included in the measurement, since they have an anti-dilutive effect.

28. Share-based compensation

28.1. Allocation of BSPCE warrants

(a) Plan of 50,000 enterprise founder share warrants (BSPCE warrants) (December 6, 2007).

There is a warrants plan for employees (BSPCE) of the Ex-AgroGeneration Group. The plan was implemented in December 2007 with a vesting period of three years. The exercise of a BSPCE provided entitlement to 20 shares with a nominal value of € 0.05. The exercise price of each BSPCE is € 2.50. The exercising conditions of the plan were changed in January 2010 according to the status of the beneficiaries (present and former employees):

- The beneficiaries, providing evidence of the status of employee or officer of the company as of January 26, 2010, can exercise half the BSPCE warrants that may be exercised on July 1, 2010, for twelve years as of the date of their issuance, subject to providing evidence of the status of employee or officer of the company without interruption until July 1, 2010, and the other half on July 1, 2011 if they can provide evidence of the status of employee or officer of the company without interruption until that date. As of December 31, 2019, 500 of BSPCE warrants of this category of beneficiaries were expired.
- The former employees up to January 26, 2010 may exercise their warrants as of January 1, 2011, for twelve years as of the date of their issuance, and are subject to conditions of net minimum internal rate of return achieved by GreenAlliance on its investment within the Company. As of December 31, 2019, 5327 of BSPCE warrants of this category were expired.

(b) Summary of the BSPCE warrant subscription plan

	2021	2020
Number of share-warrants that can be issued at the beginning of the period	-	-
Number of share-warrants issued during the period	-	-
Number of share-warrants converted during the period	-	-
Number of share-warrants expired during the period	-	-
Number of BSPCE that can be issued at the end of the period	**-**	**-**

(c) Valuation Model

These warrants were valued at their issuance using the Monte Carlo method. The main assumptions are:

- Risk free rate: 3.79%
- Turnover Rate: 0.00%
- Volatility: 50.00%

28.2. Allocation of stock-options

(a) Plan to issue 533 000 options (January 26, 2009)

On January 26, 2009, pursuant to the delegation given by the Special General Meeting held on June 26, 2008, after the consent of the Supervisory Board given on January 30, 2009, the Executive Board of Ex-AgroGeneration Group distributed 533 000 stock options. Each stock option provides entitlement to a share at the strike price of € 2,02. These stock options are approved in thirds over three years and can be exercised after the fourth year (on January 26, 2013) in blocks of 25% minimum until 2019. This plan was replaced subsequently, for all the options but 50 000, by the plan dated January 26, 2010. As of December 31, 2019, 50 000 of stock-options issued under this plan has been expired.

(b) Plan to issue 483 000 options (January 26, 2010)

On January 26, 2010, pursuant to the delegation given by the Special General Meeting held on December 7, 2009, after the consent of the Supervisory Board given on January 14, 2010, the Executive Board of Ex-AgroGeneration Group issued 483 000 stock options, each one providing entitlement to one share at the strike price of € 1,79. The beneficiary must provide evidence of his status as an employee or officer of the Group as of January 1, 2013, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

- 1/6 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
- 2/6 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
- 3/6 of his / her options if he / she separates from the company after July 1, 2011 and before January 1, 2012,
- 4/6 of his / her options if he / she separates from the company after January 1, 2011 and before July 1, 2011,
- 5/6 of his / her options if he / she separates from the company after July 1, 2010 and before January 1, 2011,
- all of his / her options if he / she separates from the company after January 1, 2010 and before July 1, 2010.

The options can be exercised for ten years with a latency period of 4 years from the date of grant (January 26, 2014). As of December 31, 2020, 405 333 options issued under this plan has been expired .

(c) Plan to issue 400,000 options (February 24, 2010)

On February 24, 2010, pursuant to the delegation given by the Special General Meeting held on December 7, 2009, and after the consent of the Supervisory Board given on February 23, 2010, the Executive Board of Ex-AgroGeneration Group decided to issue 400,000 stock options, the strike procedures of which are identical to the Plan to issue 483 000 options on January 26, 2010 (strike price of € 1,79, condition of presence, strike period of ten years including a four-year latency period). As of December 31, 2020, 400 000 options issued under this plan has been expired .

(d) Plan to issue 850,000 options (December 9, 2011)

On December 9, 2011, pursuant to the delegation given by the Special General Meeting held on June 7, 2011, and after the consent of the Supervisory Board given on July 12, 2011, the Executive Board of Ex-AgroGeneration Group decided to issue 850 000 stock options, each one providing entitlement to one share pursuant to the following strike procedures:

- Strike price of € 1,95,
- Conditions of presence:

If the beneficiary has more than three years of seniority as of December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2014, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

- 1/6 of his / her options if he / she separates from the company after January 1, 2014 and before July 1, 2014,
- 2/6 of his / her options if he / she separates from the company after July 1, 2013 and before January 1, 2014,
- 3/6 of his / her options if he / she separates from the company after January 1, 2013 and before July 1, 2013,
- 4/6 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
- 5/6 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
- all of his / her options if he / she separates from the company before January 1, 2012.

If the beneficiary has between one and three years of seniority as of December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2015, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

- 1/8 of his / her options if he / she separates from the company after January 1, 2015 and before July 1, 2015,
- 2/8 of his / her options if he / she separates from the company after July 1, 2014 and before January 1, 2015,
- 3/8 of his / her options if he / she separates from the company after January 1, 2014 and before July 1, 2014,
- 4/8 of his / her options if he / she separates from the company after July 1, 2013 and before January 1, 2014,
- 5/8 of his / her options if he / she separates from the company after January 1, 2013 and before July 1, 2013,
- 6/8 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
- 7/8 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
- all of his / her options if he / she separates from the company before January 1, 2012.

If the beneficiary has less than one year of seniority on December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2015, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

- Half of his / her options if he / she separates from the company after July 1, 2013 and before July 1, 2015,
- All of his / her options if he / she separates from the company before July 1, 2013.
- Strike period of ten years including a 4-year latency period.

As of December 31, 2021, 462 500 options issued under this plan has been expired .

e) Summary of the stock-options subscription plan

	2021	2020
Number of stock options at the beginning of the period	462 500	1 267 833
Number of stock options expired during the period	(462 500)	(805 333)
Number of stock options at the end of the period	**-**	**462 500**

(f) Valuation model

The major computation assumptions used in the issuance of each stock option plan are as follows:

Plans	Risk-free rate	Turnover	Volatility	Valuation model
2009 and 2010	2.80%	0%	50%	Binomiale
December 9, 2011	2.85%	7.50%	31%	Black & Scholes

Expected volatility for the 2009 and 2010 plans was determined from the historical volatility of a group of comparable companies over a period comparable to the period of vesting. The expected volatility of the 2011 plan was estimated on the basis of the historical volatility of AgroGeneration.

28.3. ORNANE stock warrants (BSA)

(a) BSA warrants

The BSA which were attached to each ORNANE and issued upon exercise of the Issuance Warrants, had the following characteristics:

- each BSA grants its holder the right, during the exercise period to subscribe to one new AgroGeneration's share
- the BSA's exercise price shell be equal to 130% of the lowest daily volume-weighted average price for the AgroGeneration share over the 10 trading days immediately preceding the tranche issuance date.
- they may be exercised for a period of 3 years as from their issuance;
- the global nominal amount of BSA is capped at 50% of the nominal amount of related tranche of ORNANE for the first three tranches, and 25% of the nominal value of ORNANE for all subsequent tranches.

		Initial Tranches			Additional Tranche	Total
		T1	T2	T3	TA1	
Number of BSA	#	1 063 829	1 063 829	1 162 790	833 333	4 123 781
Fair value of BSAs at the issuance date	€'000	82	71	68	46	267
Maturity date		03/07/2021	31/07/2021	28/08/2021	30/10/2021	
Exercise price	€	0,47	0,47	0,43	0,30	
Volatility	%	40,3%	39,4%	37,0%	38,1%	

The ORNANE BSAs were evaluated using Black & Scholes valuation model with the following assumptions:

- Dividend yield = 0%,
- Risk-free rate =0%
- Volatility - has been determined based on historical volatility of AgroGeneration over the period of 3 years.

According to IFRS 9 and IAS 32, the BSA meet the definition of stand-alone derivatives on own shares settled by the settled by the delivery of a number of shares for cash on the basis of an exercise price. At issuance, the fair value of BSA is recognized in other comprehensive income (OCI) and in the profit and loss account of the corresponding period. Being an equity instrument, BSAs are not re-valued at subsequent period end closings.
4 123 781 of BSAs expired during 2021.

(b) Summary of the BSA subscription plan

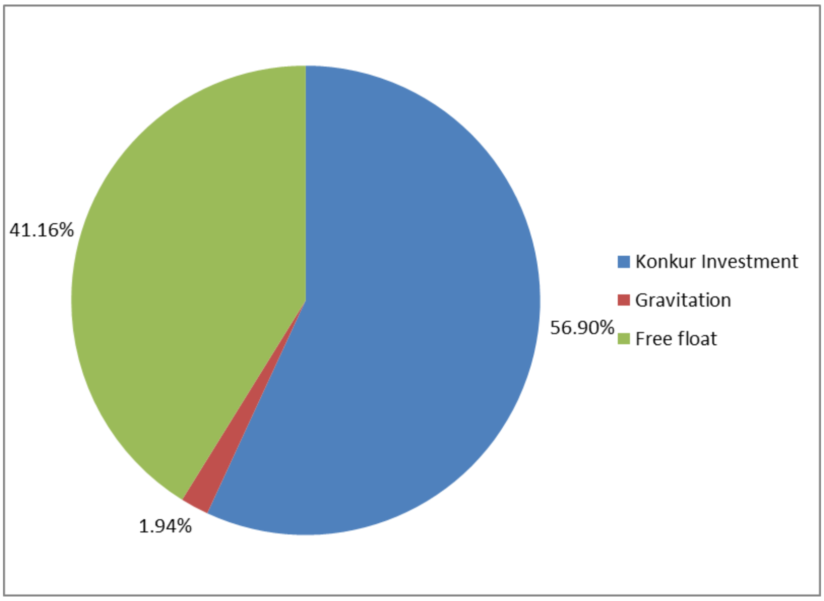
	2021	2020
Number of stock options at the beginning of the period	4 123 781	4 123 781
Number of stock options expired during the period	(4 123 781)	-
Number of stock options at the end of the period	**-**	**4 123 781**

29. Related parties

29.1. Ownership and governance

(a) Ownership

As of December 31, 2021, the shareholding is divided as follows:



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

Gravitation: holding company controlled by Charles Beigbeder

Neither the ultimate parent nor the next senior parents produce consolidated financial statements available for public use

(b) Governance

On October 11th, 2013, the company changed its corporate governance from Executive Board and Supervisory Board to Board of Directors. The Board of Directors was composed of eleven members as of this date.

The company also has an Audit Committee and a Remuneration Committee which meet regularly and which are composed of some members of the Board of Directors, as explained below.

Following the debt restructuring, and in view of the new shareholders' structure after the issuance of OSRANE, the Group has changed its governance in April 2015: 4 out of 5 directors representing the historical shareholders left the Board. In July 2019, Pierre Danon, the Deputy Chairman left the Group. As of December 31, 2021 the Board of Directors is composed of 7 members, presided by Michael Bleyzer, the Chairman.

Board of Directors

- Chairman: Michael Bleyzer

Other members:

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

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

Compensation of the members of the Board of Directors

The attendance fees to the members of the Board of Directors have been suspended since the second half 2020 until fulfilment of the performance criteria. No attendance fees have been allocated to the members of the Board of Directors for the year 2021. The remuneration of CEO AgroGeneration, is mentioned in Note 29.2 *Transactions with related parties*. John Shmorhun acted as CEO AgroGeneration till March 30, 2020. Sergiy Bulavin was appointed CEO AgroGeneration with effect from March 31, 2020.

29.2. Transactions with related parties

Material transactions entered into over the period and remaining balances as at December 31, 2021 with parties that have significant influence over the Group are as follows:

	December 31, 2021		2021		December 31, 2020		2020	
kEURO	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
SigmaBleyzer group : *various entities under common control*								
Management Fees	-	-	-	-	-	(59)	-	-
Consulting services	-	-	-		-	-	-	(1)
Loans	-	(6 215)	-	-	-	(6 215)	-	-
Rent of premises*	-	(540)	-	(36)	-	*(171)*	-	*(68)*
Interest on loans	-	(74)	-	(746)	-	(1 582)	-	(745)
Others	-	-		-	-	-	1	-
Key management								
John Shmorhun **	-	-	-	-	-	-	-	(226)
Sergiy Bulavin **	-	-	-	(70)	-	-	-	(57)
TOTAL	-	(6 829)	-	(852)	-	(8 027)	1	(1 097)

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

** Refer to Note 29.1 for the change in management

30. Fees paid to auditors

(in thousands of euros)	**December 31, 2021**	**December 31, 2020**
Certification		
BDO network	*94*	*86*
Fidag	*42*	*41*
Total fees	**136**	**127**

31. List of consolidated companies

All companies are fully consolidated.

#	Name	Conso name	Registered office	Activity	December 31, 2021 % of interest	December 31, 2020 % of interest
1	AgroGeneration	AgroGeneration	Paris - France	Group Holding	Consolidating entity	Consolidating entity
2	Marrimore Holdings Ltd	Marrimore	Nicosia - Cyprus	Holding company	100%	100%
3	Harmelia Investments Limited	Harmelia	Nicosia - Cyprus	Holding company	100%	100%
4	AgroGeneration Ukraine LLC	AGG UA	Kyiv - Ukraine	Service operating company	100%	100%
5	APK Donets LLC	DON	Kharkiv - Ukraine	Agricultural producer	100%	100%
6	Burlukskoje PC	BUR	Kharkiv - Ukraine	Agricultural producer	100%	100%
7	AF Barvenkovskaya LLC	BAR	Kharkiv - Ukraine	Agricultural producer	100%	100%
8	AF Podoljevskaja LLC	POD	Kharkiv - Ukraine	Agricultural producer	100%	100%
9	AF Ukraina Nova LLC	UNA	Kharkiv - Ukraine	Agricultural producer	100%	100%
10	Lan LLC	LAN	Kharkiv - Ukraine	Agricultural producer	100%	100%
11	Register LLC	Registr	Kharkiv - Ukraine	Service operating company	100%	100%
12	Tornado Agro-holding PC	Tornado	Kharkiv - Ukraine	Service operating company	100%	100%