ANNUAL REPORT
2023

ASTARTA HOLDING PLC
produce • unite • develop

CONTENTS

CEO Letter 2
Astarta's History 4
Map of Operations 5
Business Model 6
Value Creation 8
Innovation and R&D 9
Strategy and Outlook 10
Key Operational Results 11
Key Financial Results 12
Selected Financial Data 13
REPORT ON OPERATIONS 15
Agriculture 15
Sugar Production 22
Soybean Processing 26
Cattle Farming 29
Shareholders and Share Price Performance .. 32
Alternative Performance Measures 33
Risk Management 34
SUSTAINABILITY 38
General Information 38
Environmental Information 43
Social Information 66
Governance Information 75
EU Taxonomy 77
russian Invasion Impact 78
CORPORATE GOVERNANCE REPORT 82
Management Report 102
FINANCIAL STATEMENTS 106
Consolidated Financial Statements 108
Separate Financial Statements 172
INDEPENDENT AUDITOR'S REPORT 198

Business Performance Highlights

One of Ukraine's top agricultural businesses by leased farmland acreage

Every 5th kg of domestic sugar produced by Astarta

One of the largest soybean processors in Ukraine

№1 country's industrial milk producer

Total grain and oilseeds storage capacity of **562kt**

Exports to **44** countries (2022: 41 countries)

EUR0.5 dividend per share in 2023

23% EBITDA margin (2022:30%)

53% share of exports in total revenues (2022: 54%)

7,233 employees (2022: 6,591 employees)

33% of total workforce are women (2022: 32%)

On the cover page: visual artwork created by artificial intelligence

Disclaimer regarding forecasts. Certain statements contained in this report may constitute forecasts and estimates. Such predictions are subject to a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied via forward-looking statements.

CEO Letter

Dear partners,

Today, as Ukrainians continue to fight for the country's independence and defend Europe from the worst aggression since World War II, Astarta, is striving to maximize its contribution towards the Ukrainian Victory.

First and foremost I express my deepest gratitude to the 510 Astarta employees who are defending us in the ranks of the Armed Forces of Ukraine. Unfortunately, 41 of Astarta's drafted employees were killed in combat or considered missing.

We continued developing and scaling up the Common Help Ukraine project, which was co-founded by Astarta and united different businesses, international organizations, local communities. The Project focuses on helping those in need, improving their well-being of and supporting domestic producers and the economy as a whole, including development of local entrepreneurship and job creation for internally displaced persons and military veterans. The estimated financial value of the charitable contributions and humanitarian aid since the launch of the Project reached EUR30m.

I am sincerely grateful to those who joined us in the Project and to our business partners promoting our joint success in producing and supplying Ukrainian agricultural products to European and global markets.

In 2023 Ukraine remained a global grain supplier. In particular, Astarta generated EUR325m or 53% of total revenue from export of sugar, grain and soy products to global market via overland and seaborn routes.

Last year Astarta strengthened its positions in key business segments. The Company achieved record harvests benefiting on the highest ever corn and sugar beet yields. In 2023 sugar beet processing and sugar production hit the highest volumes for the past five years. Higher soybean processing volumes allowed us to achieve maximum capacity utilisation of the soybean crushing plant. Effective management in the livestock segment contributed to record average daily milk yields.

Consolidated revenues increased by 21% y-o-y to EUR619m. Revenues in the Agriculture increased from EUR180m to EUR240m in 2023, the Sugar segment revenues grew by 28% y-o-y to EUR199m, revenues in the Soybean Processing and in the Cattle Farming were stable at EUR122m and EUR43m correspondingly.

Despite the war, Astarta continues to contribute to the global efforts to tackle climate change. In 2023 we developed and published a decarbonisation strategy aimed at reducing greenhouse gas emissions by 44% by 2030 through scaling up regenerative agriculture practices, improvement in energy efficiency and the replacement of fossil fuels with renewable energy.

As one of the leading agricultural companies in Ukraine, we have always been focused on preserving land resources for future generations by shifting from traditional practices to precision farming and regenerative agriculture, as well as by implementing in-house AgriChain software solutions.

In the downstream operations, we focused on increasing the share of renewable energy sources in the energy mix by increasing biogas production and switching from energy derived from fossil fuels to biomass. Specifically, last year 3/4 of gas consumption in soybean processing was satisfied by biogas produced internally, compared to 50% in 2022.

Our sustainability efforts were reflected in the global ESG ratings and highly recognised by financial partners. Last year, Astarta became the first agricultural company in Ukraine to receive sustainability-linked financing from the EBRD during the full-scale war.

In 2024 Astarta's team will continue to pave the way towards the Victory of Ukraine, while also focusing on further business development. We will work to advance our technological capabilities, automatization of processes using artificial intelligence, expand the product range towards more value-added goods and expand in foreign markets through global partnerships.

Sincerely,

Viktor Ivanchyk
Founder and CEO

Astarta's History

1993
Astarta founded on March 2

1997
Start of the agricultural business

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

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

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

2007-2009
Major farmland expansion

2010
Opening of the first silo in the Khmelnytskyi region

2011-2012
Expansion of the Cattle Farming business

2014
Opening of the bioenergy facility in the Poltava region

2014
Development of the fourth business segment via launch of the soybean processing plant

2015-2019
Expansion the grain and oilseeds silo network

2017
Launch of AgriChain - an innovative IT solution for agribusiness

Opening of the in-house Feed Centre in the Poltava region

2020
Start of organic farming

2021
Debut dividends for 2020

2022
Astarta co-founded a large-scale humanitarian project Common Help UA

30

2023
30th anniversary of Astarta foundation

the Decarbonization Strategy published

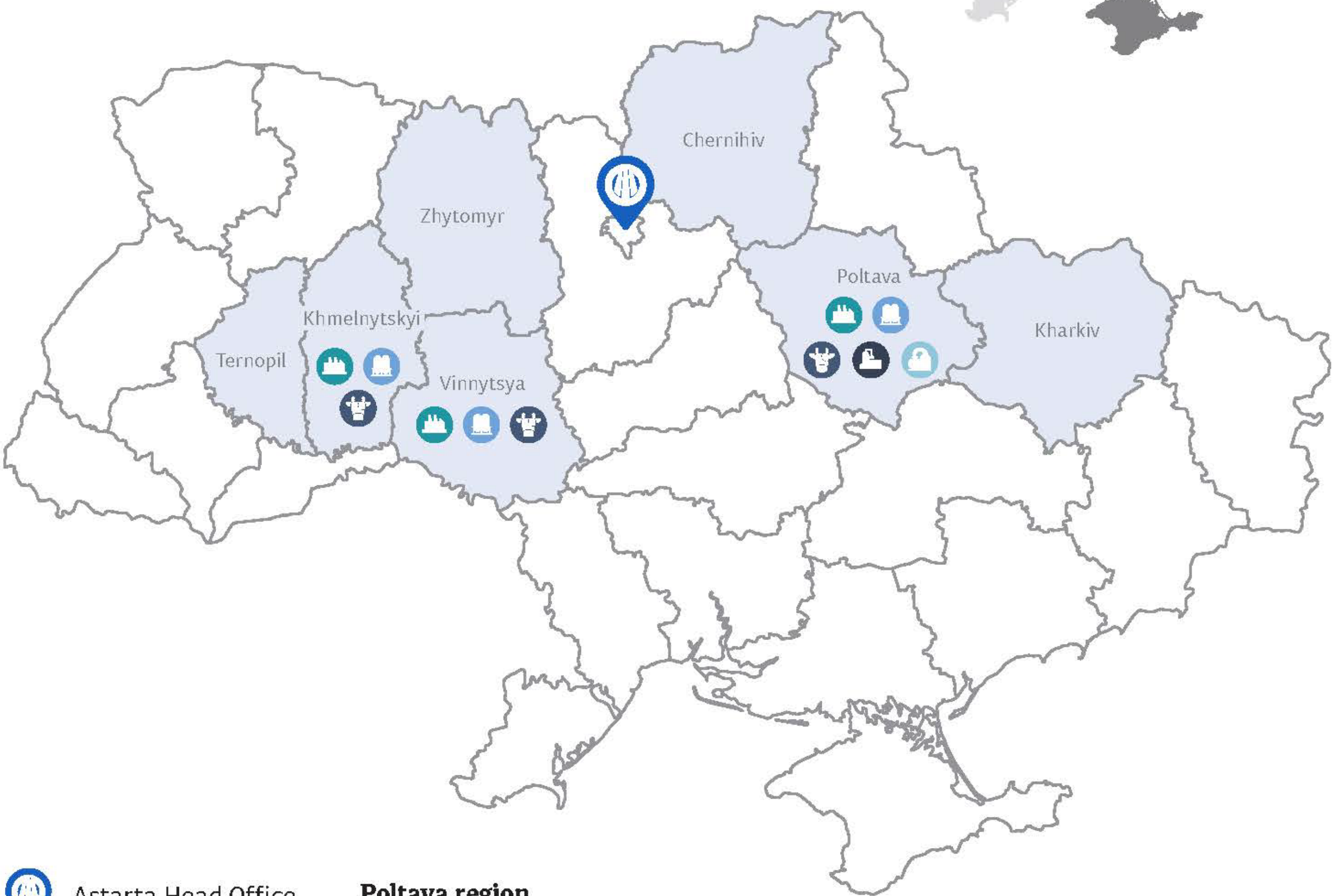
Astarta is one of the largest vertically integrated agro-industrial holdings in Ukraine. The Company's main activities include grain and oilseeds production, sugar production from sugar beets and raw cane sugar processing, soybean crushing, milk production, as well as grain and oilseeds storage and handling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

Since its founding over 30 years ago, the Company has proven to be a reliable and trustworthy partner and supplier, committed to the best international standards in terms of quality, innovation, and sustainability. Integrity, transparency, and strength of its human capital has also been among Astarta's key priorities. The Company maintains a nation-wide presence with around 7k employees based at its production and storage facilities in seven regions. Their dedication and expertise determine Astarta's success.

The Company established stable long-term business relationships with leaders of the Ukrainian food processing, confectionary and retail industries. A growing part of its production was exported through international agricultural traders to 44 countries during 2023.

Hereinafter differences between totals and sums of the parts are possible due to rounding.

Map of Operations



Astarta Head Office

Region of operation

Poltava region

- 129kha leased land
- 3 sugar plants
- 4 grain silos
- 22k heads
- 1 soybean processing plant
- 1 bioenergy plant

Vinnytsya region

- 16kha leased
- land 1 sugar plant
- 1 grain silo
- 1k heads

Khmelnytskyi region

- 44kha leased land
- 1 sugar plant
- 1 grain silos
- 4k heads

Chernihiv region

- 5kha leased land

Kharkiv region

- 4kha leased land

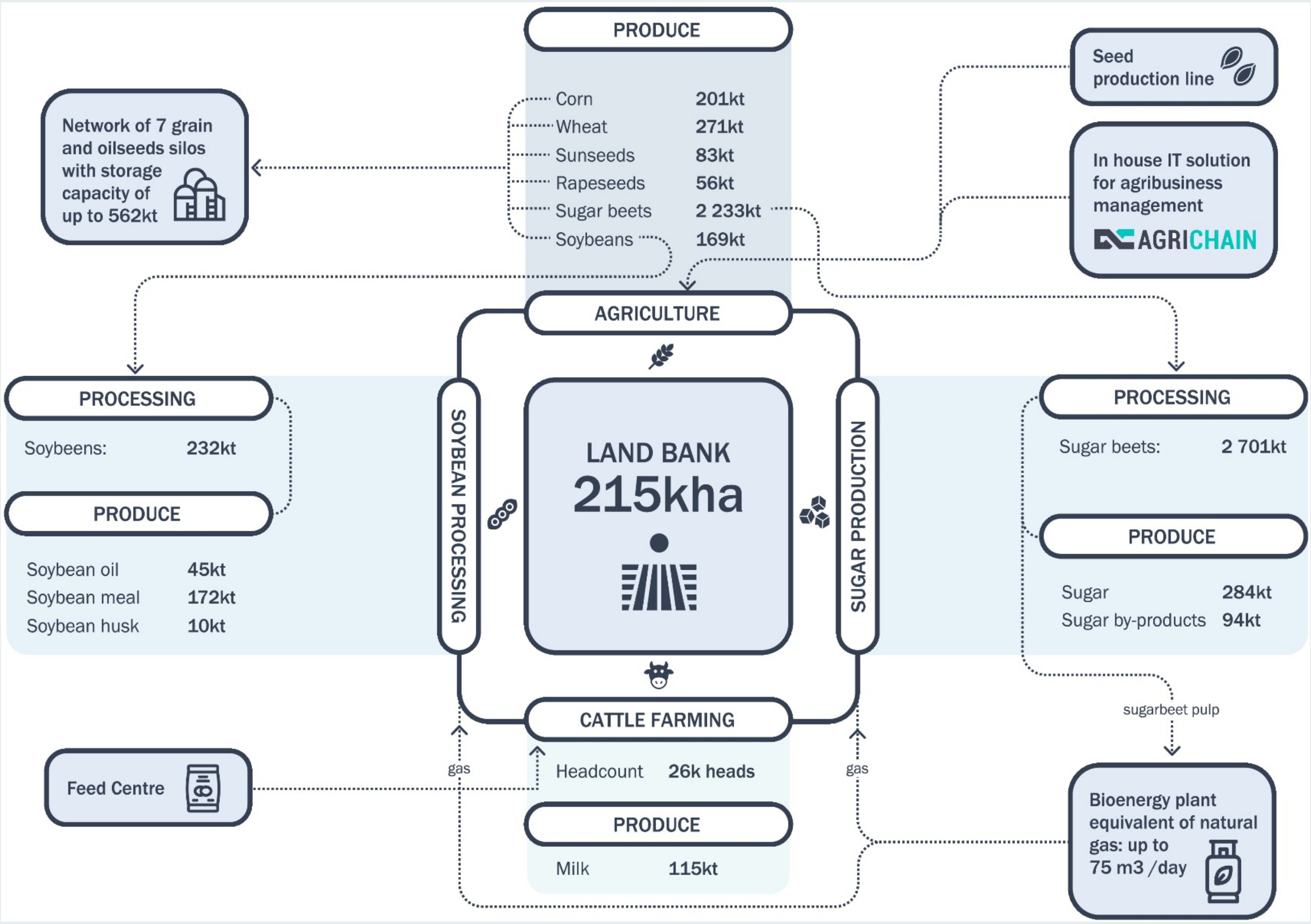
Zhytomyr region

- 11kha leased land

Ternopil region

- 7kha leased land

Business Model



Key business model inputs

Inputs for the Company's business model consist of different resources which are required to conduct and sustain operating activities. The inputs include physical, human and financial resources. Also, the Company applies comprehensive approach with multiple strategies to secure those inputs (see next page for details).

Key business model outputs

Astarta's diversified business model allows for production of different products and services such as grain and oilseed crops, sugar, soybean oil and meal, milk, storage and handling services which generate diverse outputs, directly benefiting clients with required ingredients, and the economy with jobs and exports. Internally, the Company gains profits, supports employees, and fosters growth. Indirectly, stakeholders like farmers, retailers, and the environment experience positive impacts through fair partnerships, efficient supply chains, and sustainable practices. This multi-faceted business model contributes to the Company's success while supporting various groups within the community and wider economy.

Key inputs	Approach to secure inputs
Land	• Long-term agreements with landowners to operate farmland • Regenerative practises and community engagement to maintain long-term productivity and minimise disruptions, address concerns, and create social value through job creation or shared benefits
Raw and biological materials	• Long-term contracts with sugar beet and soybeans growers to guarantee a reliable supply of raw materials meeting quality standards • Loyalty programmes to attract farmers • Use of feed materials from own feed producing centre for cattle herd • Development of balanced and optimized feed rations based on cattle's needs • Careful breeding practices to improve herd's genetics • Animal welfare programmes to improve milk yields and reduce costs
Water	• Obtain necessary permits for water extraction from surface or groundwater sources, complying with regulatory requirements and allocation limits • Careful management to avoid over-extraction, depletion and water table issues • Improve soil organic matter content to enhance water retention and reduce need for an irrigation
Seeds, Fertilizers and Plant Protection Agents	• Cooperation with companies with responsible manufacturing practices and verification that relevant registration and regulations are followed • Soil testing and precision farming practices to determine specific nutrient needs and avoid excessive materials application • Secure advantageous pricing and reliable supply through longer-term contracts with established suppliers
Farm machinery and equipment	• Cooperation with reputable brands and dealers offering suitable equipment • Evaluation of cost, performance, warranty, and maintenance needs for new versus used equipment • Renting of specialised equipment for occasional use in case of need • Use of modern machinery with precision agriculture features, improved fuel efficiency, and reduced environmental impact • Use of loans, leases, or grants to acquire equipment, considering affordability and long-term financial implications • Adherence to regular maintenance schedules to extend equipment life, minimize downtime, and avoid costly repairs • Secure appropriate insurance coverage against theft, damage, or breakdowns
Energy	• Use of biogas from in-house biogas facilities to decrease dependency on external energy supply and to minimise environmental footprint • Use of on-site generators in case of power outages • Modernisation of equipment and lighting to minimise energy consumption across operations • Long-term contracts with reliable fuel suppliers
Human Resources	• Partnerships with educational institutions to recruit students and graduates with relevant skills • Encourage existing employees to refer talented individuals within their networks • Comprehensive training programmes for employees • Mentorship to foster knowledge transfer and support professional growth • Professional development opportunities to help employees expand their skills and advance their careers • Leadership training to cultivate future leaders • Competitive compensation and benefits to attract and retain professionals • Positive work environment to create a workplace where employees feel valued and engaged • Work-life balance to promote employee well-being and reduce stress
Financial Resources	• Cooperation with reputable international and local financial institutions • Careful budgeting to avoid unexpected spikes in costs or capital needs • Maintain proven credit history and transparent financial reporting to solidify reputation as a trustworthy borrower • Close cooperation with the government and international institutions on grants programmes to attract financial assistance

Value Creation

For people

People are the most vulnerable and valuable capital of the business. The Company pays a lot of attention to the development of its employees, works hard towards retention of talent and adheres to a collaborative approach in relations with the workforce. As of the end of 2023 Astarta employed 7,233 people 94% of whom were employed in the rural area. Total contribution by the Company in the form of salary, wages and additional financial incentives was EUR66m in 2023.

For shareholders and creditors

Astarta proved to be a reliable and trusted partner for top local and international financial institutions enjoying stable access to financing sources. In 2023 Astarta paid EUR4.5m in loan interest and EUR12m of dividends to shareholders.

For local communities

As a land operator, Astarta actively interacts with local communities which, among others, include landowners who lease out farmland to the Company. Astarta operates over 215kha of land leased from approximately 56k individual landowners. Cash outflow for land lease was EUR30m in 2023.

Support of communities is a key focus for the Company which became of vital importance since the start of the russian aggression against Ukraine. In 2023 Astarta co-founded a large-scale humanitarian project called Common Help UA to help those who suffered from military hostilities. As of the end of 2023, estimated monetary value of donations and humanitarian supplies under the Common Help Ukraine project reached USD32m.

For suppliers and clients

The Company makes best efforts to improve its assets and produce high quality products to meet the highest requirements of clients. In 2023 Astarta sold 284kt of sugar, over 1mt of grains and oilseeds, 227kt of soybean products and 111kt of milk bringing EUR619m of total revenues.

The Company deals with significant number of suppliers with total sum of spend on services fuels and materials of EUR396m.

For farmers

Astarta closely cooperates with local farmers on supply of sugar beets to its sugar plants as well as soybeans for its crushing facility. In 2023 Astarta secured 707kt of sugar beets and 157kt of soybeans for processing from third parties.

For the economy

One of the key direct contributions to the Ukrainian economy is taxes paid by the Company. In 2023 Astarta transferred UAH2.3bn (EUR58m) in direct and indirect taxes and duties in Ukraine or UAH343k (EUR9k) per employee.

Innovation and R&D

In today's fast-paced and dynamic world, innovation is no longer a luxury for companies, but a necessity. It's the fuel that propels them forward, allowing them to adapt to changing markets, attract new customers, and stay ahead of competition.

Innovations are an important element of Astarta's business model to ensure better operational results and enhance the sustainability aspect of its activities. The Company has a proprietary integrated multi-module IT software, called AgriChain, for agribusiness management. The software covers Astarta's land bank and is applied on 350k+ ha of third-party farmland.

AGRICHAIN

A NEW GENERATION OF IT SOLUTIONS FOR AGRIBUSINESS

AgriChain digital solutions technologies are developed based on the most advanced practices, tools and approaches, available expertise in the market, to create efficient and flexible products that can be quickly implemented, scaled up and customised to meet business needs.

The architecture of the solution is a set of independent web and/or mobile applications connected to an internal accounting system for all modules with a single web-based authorisation application (user entry point). AgriChain includes six key independent modules, each covering the needs of a separate block of the production chain:

- AgriChain Land is a farmland management module covering land mapping, lease agreements, a database of tenants and payments, and other important data regarding the relationship between the Company and landowners. The solution consists of a website and a mobile app (Android, IOS).
- AgriChain Farm is the system for planning and managing agricultural production, and field operations. The module visualises and enhances planning, execution, and reporting on field operations and streamlines communication between all agricultural production subsidiaries. The solution consists of a website and a mobile app (Android).
- AgriChain Scout is a crop monitoring management system. The module stores and accumulates crop information from weather stations, satellite and drone data, GPS monitoring, survey reports, historical data on seeding and other field works, etc. The system analyses the state of large arrays, creating a field rating based on NDVI (Normalized Difference Vegetation Index) evaluation.
- AgriChain Barn is a warehousing process management system handling the following: delivery planning, issuance of request, marking of material assets, movement and disposal of containers, reporting and document management, inventory of material assets.
- AgriChain Logistics is the management system of movement and delivery of material assets and agricultural products. The module is a unified system for planning and controlling transportation of all types of material assets and products by all modes of transport with specialist workplaces.
- AgriChain Kit – a modelling and management system of digitalisation of business processes.
- AgriChain Machinery – system for management of agricultural machinery and equipment through storage and accumulation of telemetry data, its integration with third-party systems, verification of the cultivated area and vehicle mileage. Under development.
- AgriChain LMS – learning management system for developing, growing, and educating employees. Under development.
- AgriChain MarketsData – analytical media project for discovering and aggregating market prices. Under development.
- AgriChain KIT CRM – customer relationship management system. Under development.

Launched		Developing	
La AgriChain Land	Fa AgriChain Farm	Ma AgriChain Machinery	Md AgriChain MarketsData
Sc AgriChain Scout	Ki AgriChain Kit	Lm AgriChainLMS learning management system	CRM AgriChain Kit CRM
Lg AgriChain Logistics	Ba AgriChain Barn		

Strategy and Outlook

<table>
<tr><th>Area of focus</th><th>Short term</th><th>Long term</th></tr>
<tr><td>Resilience under war-time conditions and help in approaching the Victory of Ukraine</td><td colspan="2">- Safety and support of personnel, preservation and development of human resources
- Preservation of financial resources
- Ensuring sustainable business continuity of operations
- Supporting humanitarian and food security of Ukraine (support for territorial communities, assistance to internally displaced persons, development of small and medium-sized enterprises)
- Assistance to the Defense Forces of Ukraine
- Meeting fiscal needs of the Ukrainian state</td></tr>
<tr><td>Upstream / primary agriculture
• Crop growing
• Dairy farming</td><td>- Digitalization of agricultural production
- Scaling up precision and regenerative farming with focus on soil health and decarbonisation
- Feasibility of increasing production of niche crops considering market trends
- Upgrade of manure management system
- Pilot irrigation</td><td>- Creating a digital culture in agricultural production
- Full-scale regenerative farming to become a supplier of choice of ingredients for global traders and processors
- Expansion of organic farming in response to market demand
- Scaling up irrigation in response to climate change
- Explore decarbonisation potential of the livestock operations</td></tr>
<tr><td>Downstream / processing
• Crop storage and trading
• Sugar production
• Soybean crushing
• Bioenergy</td><td>- Develop logistics to diversify seaborn and overland export routes
- Increasing energy efficiency
- Energy self-sufficiency by ramping up bioenergy capacity and alternative energy sources
- Promotion of the Astarta brand to increase presence in the domestic retail market
- Digitalization of all business processes, development of artificial intelligence-based internal system.</td><td>- Leveraging grain storage network for third-party crop procurement and trading
- Scale up alternative energy generation for inhouse consumption and potential sale in the market
- Expansion of the product range towards more value-added ingredients/products
- Balanced combination of the Astarta's product orientation on domestic and export markets</td></tr>
<tr><td>Sustainability - governance and disclosure</td><td>- Expansion of Scope 3 reporting under GHG Protocol
- Implementation of the Decarbonisation Strategy until 2030</td><td>- Integrate sustainability and climate-related KPI into performance measurement
- Set SBTi targets and implement corresponding decarbonisation measures
- Continue building up circular economy blocks within vertically integrated nature of the Company’s operations</td></tr>
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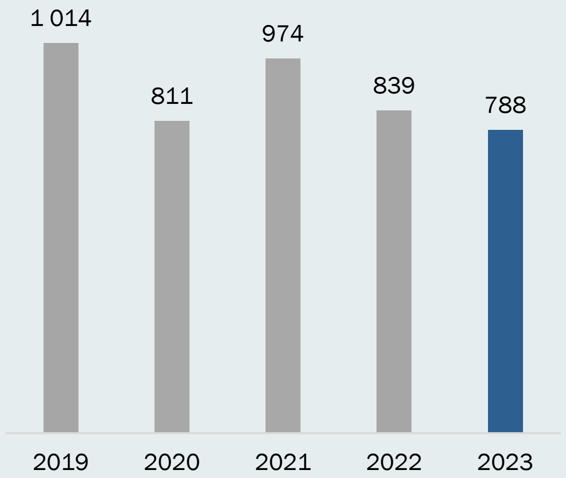
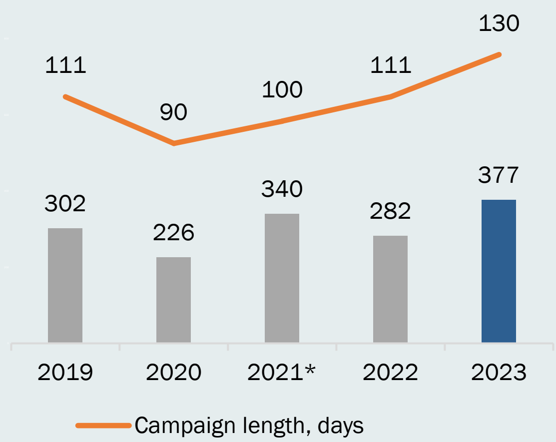
Key Operational Results

Grain and oilseeds production, gross, kt

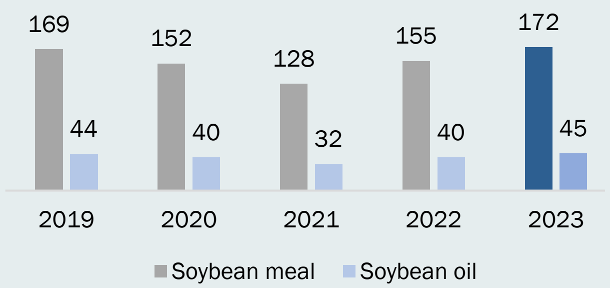


Sugar production, kt

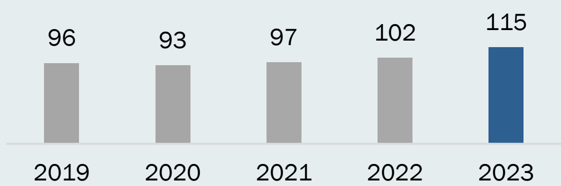


*incl. sugar from cane

Soybean meal and oil production, kt

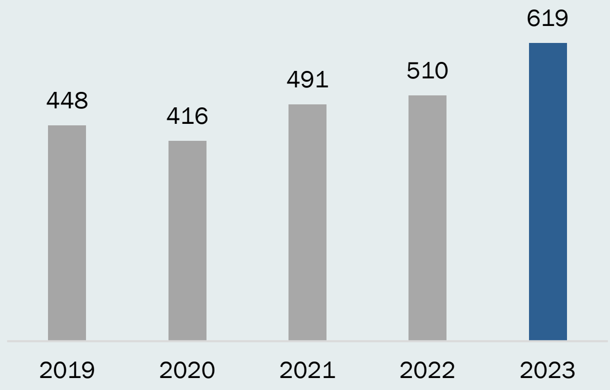


Milk production, kt

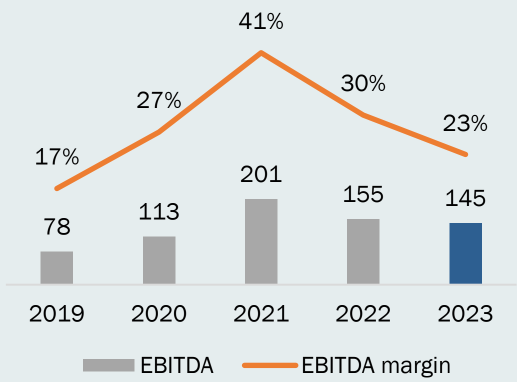


Key Financial Results

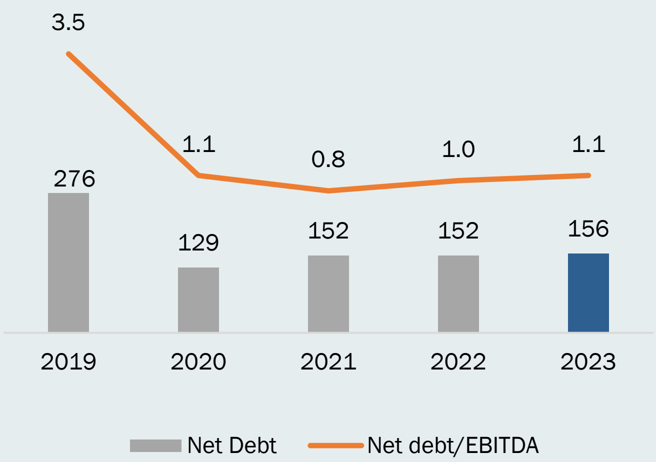
Revenues, EURm



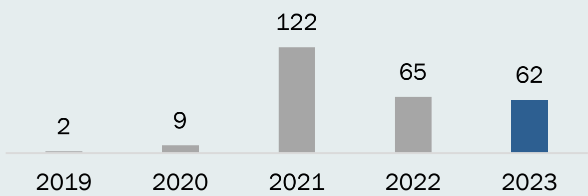
EBITDA, EURm; EBITDA margin, %



Net debt, EURm; Net debt to EBITDA, x



Net profit, EURm



Selected Financial Data

Summary Profit and Loss

EURk	2022	2023	y-o-y
Revenues, including	**510 070**	**618 931**	*21%*
Agriculture	180 292	239 890	*33%*
Sugar Production	155 529	199 452	*28%*
Soybean Processing	121 886	121 539	*0%*
Cattle Farming	38 610	42 598	*10%*
Cost of revenues, including	**(379 888)**	**(453 289)**	*19%*
Effect of FV remeasurement of AP*	(73 073)	(60 219)	*-18%*
Changes in FV of BA and AP*	77 223	57 945	*-25%*
Gross profit	**207 405**	**223 587**	*8%*
Gross margin	*41%*	*36%*	*-5pp*
EBIT	**109 069**	**95 777**	*-12%*
Depreciation and Amortisation, including:	45 702	49 591	*9%*
Charge of right-of-use assets	19 651	19 317	*-2%*
EBITDA, including	**154 771**	**145 368**	*-6%*
Agriculture	75 974	63 567	*-16%*
Sugar Production	34 752	39 290	*13%*
Soybean Processing	27 690	27 956	*1%*
Cattle Farming	18 098	18 650	*3%*
EBITDA margin	*30%*	*23%*	*-7pp*
Interest expense on lease liability	(21 497)	(20 461)	*-5%*
Other finance costs	(6 359)	(3 566)	*-44%*
Forex gain/(loss)	(5 931)	2 082	*-135%*
Net profit	**65 164**	**61 903**	*-5%*
Net profit margin	*13%*	*10%*	*-3pp*

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

EURk	2022	2023	y-o-y
Gross Profit, excl. BA and AP remeasurement	**203 255**	**225 861**	*11%*
Gross Margin, excl. BA and AP remeasurement	*40%*	*36%*	*-4pp*
EBITDA, excl. BA and AP remeasurement	**150 621**	**147 642**	*-2%*
EBITDA margin, excl. BA and AP remeasurement	*30%*	*24%*	*-6pp*

Despite the challenging environment and working under extreme war conditions for two years Astarta managed to deliver strong financial results in 2023. The Company's consolidated revenues rose by 21% y-o-y to EUR619m during the reporting period. This was primarily due to the higher volume of crops and sugar sold compared to the previous year, which partially offset the increased costs of logistics. Export sales of EUR325m made up robust 53% of consolidated revenue in 2023.

Agricultural segment was the main contributor with 39% of the consolidated revenues or EUR240m in 2023 (+33% y-o-y). Sales by the Sugar Production increased by 28% y-o-y to EUR199m and generated 32% of total revenues during the reporting period. The Soybean Processing segment made 20% of Astarta's revenues or EUR122m, flat y-o-y. The Cattle Farming stood at 7% of total revenues or EUR43m in 2023 (+10% y-o-y).

Astarta's gross profit increased by 8%y-o-y to EUR224m in 2023 on lower effect from fair value remeasurement of agricultural produce in the cost of revenues (EUR60m in 2023 versus EUR73m in 2022) reflecting lower commodity prices and forex movements.

2023 EBITDA decreased by 6% y-o-y to EUR145m. EBITDA margin narrowed by 7pp to 23% reflecting lower crop prices, higher selling and distribution expenses and change of delivery basis on crop sales.

Excluding the impact of IAS41, the gross margin decreased from 40% to 36%. EBITDA margin declined from 30% to 24%.

Summary Balance Sheet

EURk	YE22	YE23	y-o-y
Right-of-use asset (mainly land)	97 539	107 142	*10%*
Biological assets (non-current)	29 962	36 614	*22%*
PP&E and other non-current assets	196 087	191 511	*-2%*
Inventories, including RMI*	244 156	254 939	*4%*
Biological assets (current)	32 969	17 497	*-47%*
AR** and other current assets	80 632	89 277	*11%*
Cash and equivalents	26 248	13 291	*-49%*
Total Assets	**707 593**	**710 271**	*0%*
Equity	**489 239**	**498 811**	*2%*
Long-term loans	16 630	34 829	*109%*
Lease liability (mainly land)	79 848	86 033	*8%*
Other	8 205	6 164	*-25%*
Non-current liabilities	**104 683**	**127 026**	*21%*
Short-term debt and similar	52 759	17 212	*-67%*
Current lease liability (mainly land)	29 294	31 555	*8%*
Other	31 618	35 667	*13%*
Current liabilities	**113 671**	**84 434**	*-26%*
Total equity and liabilities	**707 593**	**710 271**	*0%*
EBITDA LTM	154 771	145 368	*-6%*
RMI*	183 529	181 112	*-1%*
Net debt total* **	**152 283**	**156 338**	*3%*
ND total/EBITDA (x)	*1.0*	*1.1*	
Adjusted net debt = (ND-RMI)	**(31 246)**	**(24 774)**	*-21%*
Adj ND/EBITDA (x)	*(0.2)*	*(0.2)*	-

**RMI = Finished Goods*
***AR = Accounts Receivable*
****Net Debt = long term and short term debt + lease liabilities - cash*

Net Financial Debt (excl. lease liabilities) down from EUR43m in 2022 to EUR39m in 2023. Net Debt increased slightly by 3% y-o-y EUR156m in 2023 on higher lease liabilities of EUR118m versus EUR109m in 2022 due to increase in lease payments.

Summary Cash Flows

EURk	2022	2023	y-o-y
Pre-tax income	75 323	73 793	*-2%*
Depreciation and amortisation	45 702	49 591	*9%*
Financial interest expenses, net	6 126	3 265	*-47%*
Interest on lease liability	21 497	20 461	*-5%*
Changes in FV of BA and AP*	(77 223)	(57 945)	*-25%*
Disposal of revaluation in AP in COR*	73 073	60 219	*-18%*
Forex gain/loss	5 931	(2 082)	*-135%*
Income taxes paid	(8 841)	(13 663)	*55%*
Working Capital changes	(102 926)	(44 207)	*-57%*
Other	706	1 871	*165%*
Operating Cash Flows	**39 368**	**91 303**	*132%*
Investing Cash Flows	**(15 500)**	**(40 314)**	*160%*
Debt (repayment)/proceeds	29 825	(14 423)	*-148%*
Dividends paid	-	(12 125)	-
Finance interest paid	(6 967)	(4 502)	*-35%*
Lease repayment (mainly land)	(28 309)	(31 860)	*13%*
Financing Cash Flows	**(5 451)**	**(62 910)**	*12x*

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

Operating Cash Flow totalled EUR91m versus EUR39m in 2022 on lower working capital outflows. Operating Cash flows before Working Capital amounted to EUR136m versus EUR142m in 2022.

Investing Cash Flows ramped up from EUR16m in 2022 to EUR40m in 2023 reflecting investments into building a soybean protein concentrate facility, modernisation at one of the sugar plants to partially replace coal with plant pellets and at cattle farms.

REPORT ON OPERATIONS

Agriculture

Share in consolidated revenues: 39%

Segment revenues: EUR240m

Export sales (by value): 78%

Financial Results

Amid higher sales volumes the revenues increased by 33% y-o-y to EUR240m.

Gross profit grew by 6% y-o-y to EUR112m, and gross margin declined from 59% to 47% on lower contribution from changes in fair value of biological assets (EUR52m in 2023 versus EUR70m in 2022) reflecting lower commodity prices.

Considering change in delivery terms towards longer delivery distances and growth of S&D expenses EBITDA slid by 16% y-o-y to EUR64m and EBITDA margin halved to 26% in 2023.

EURk	2022	2023	y-o-y
Revenues, including	180 292	239 890	*33%*
Corn	86 316	105 978	*23%*
Wheat	52 955	74 076	*40%*
Sunseeds	28 137	41 225	*47%*
Rapeseeds	9 916	15 371	*55%*
Cost of revenues, including	(144 762)	(179 951)	*24%*
Land lease depreciation	(19 051)	(18 609)	*-2%*
Changes in FV of BA and AP*	70 207	51 967	*-26%*
Gross profit	**105 737**	**111 906**	6%
Gross margin	*59%*	*47%*	*-12pp*
G&A expenses	(13 083)	(16 577)	*27%*
S&D expenses	(48 121)	(62 546)	*30%*
Other operating expenses	(3 451)	(4 829)	*40%*
EBIT	**41 082**	**27 954**	*-32%*
EBITDA	**75 974**	**63 567**	*-16%*
EBITDA margin	*42%*	*26%*	*-16pp*
Interest on lease liability	(19 379)	(18 125)	*-6%*
CAPEX	(9 176)	(8 898)	*-3%*
Cash outflow on land lease liability	(26 808)	(30 490)	*14%*

**Including grains trading operations in the est. amount of EUR56m in 2023*

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

Key crops acreage and gross output

	2022		2023	
	kha	*kt*	*kha*	*kt*
Corn	38	342	**19**	**201**
Wheat	56	265	**43**	**271**
Sunseeds	31	92	**28**	**83**
Soybeans	40	117	**55**	**169**
Rapeseeds	6	19	**14**	**56**
Sugar beets	32	1 820	**39**	**2 233**

Sales volumes of key crops and realized prices

	2022		2023	
	kt	*EUR/t*	*kt*	*EUR/t*
Corn	366	236	**493**	**215**
Wheat	201	264	**354**	**209**
Sunseeds	56	501	**118**	**349**
Rapeseeds	15	660	**38**	**404**

Astarta gross yields versus average Ukrainian

t/ha	2022		2023	
	AST	UKR	AST	UKR
Corn	8.9	6.7	**10.3**	**7.8**
Wheat	4.8	4.1	**6.3**	**4.8**
Sunseeds	3.0	2.2	**3.0**	**2.4**
Soybeans	2.9	2.4	**3.1**	**2.6**
Rapeseeds	3.1	2.9	**4.1**	**2.9**
Sugar beets	56	50	**58**	**48**

Source: the Company's data, State Statistics Service of Ukraine

Operational Performance

The high cost of export logistics undermined profitability of grain production in 2023 leading to higher acreage under oilseeds and sugar beets and lower for corn and wheat. Notably, the weather in 2023 was favourable for agriculture, and Astarta's farmers achieved record yields.

The area under corn declined for the second year and was halved y-o-y to 19kha in 2023. Supportive weather conditions resulted in a record yield of corn at 10.3t/ha (+16% y-o-y) and output totalled 201kt (-41% y-o-y). Astarta cut wheat acreage by 23% y-o-y to 43kha but given the record high yield of 6.3t/ha (+33% y-o-y), the output reached 271kt (+3% y-o-y).

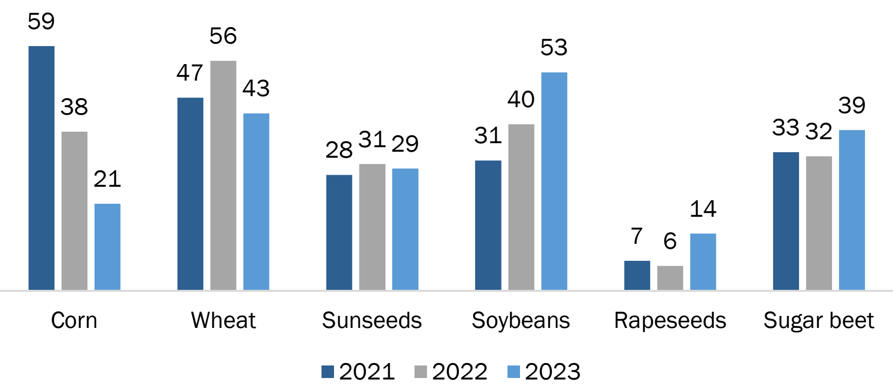
The sunseeds yield was flat y-o-y at 3.0t/ha and the gross output stood at 83kt (-10% y-o-y), as the Company reduced crop area by 9% y-o-y to 28kha.

Astarta's acreage under soybeans increased by 38% y-o-y to 55kha in 2023 to secure stable supply for the Globynsky Soybean Processing Plant. Also, soybean yields improved by 5% y-o-y to the record high of 3.1t/ha and lead toa 45% y-o-y increase in output to 169kt.

Rapeseeds' output tripled y-o-y to 56kt in 2023 on back of increased acreage to 14kha. The performance was also supported by a 31% y-o-y stronger yield of 4.1t/ha.

Astarta continued growing organic and niche crops in 2023, such as millet, mustard, and flax. The Company has an established customer base for those and seeks its expansion.

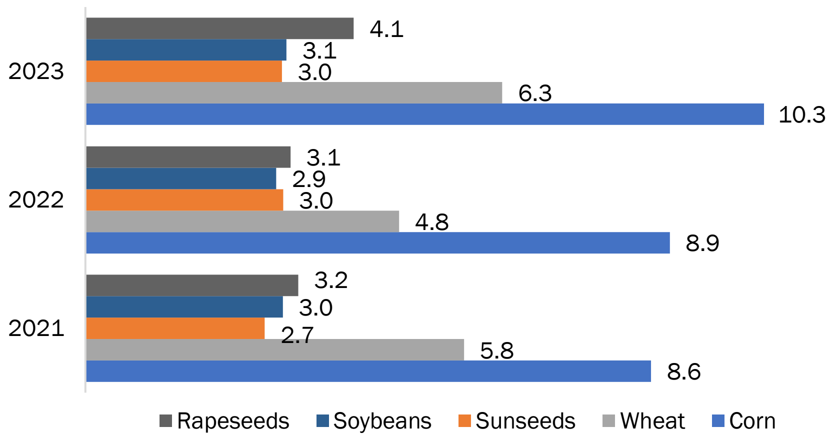
Astarta's key crops planting area, 2021 – 2023, kha



Source: the Company's data

In the fields Astarta is using extensive data analysis to improve yields and profitability with dedicated in-house software Agrichain developed for precision farming. For more information on Agrichain please refer to "Innovation and R&D" section of this report.

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



Source: the Company's data

In mid-October, the Company completed planting winter crops for the 2024 harvest, with 46kha under winter wheat and 12kha under rapeseeds. The work was finished in the optimal timeframe.

Considering the second year of constant military shelling of Ukrainian territories, Astarta continues to impose strict fire safety measures before and during harvesting. Firefighting brigades are also kept on high alert during the harvesting campaign.

Sales and Logistics of Agricultural Operations of Astarta

In 2023, in response to continued war-related issues, Astarta adopted its commercial strategy for grain sales. Grain and oilseed sales were 1.6x times higher y-o-y and exceeded 1mt in 2023. Accordingly, wheat sales increased by 76% y-o-y to 354kt, offsetting the 21% y-o-y price decline to EUR209/t. The Company also achieved a 35% growth y-o-y in sales of corn to 493kt with 9% y-o-y reduction in sales price to EUR215/t. Sunseeds sales more than doubled to 118kt, but the price dropped 30% y-o-y and averaged EUR349/t in 2023. Rapeseed sales boosted 2.5x times y-o-y to 38kt. This higher sales volume partially compensated for the drop in rapeseed price to EUR404/t (previous year: EUR660/t).

Despite enormous challenges, the Astarta's commercial team delivered planned exports generating 78% of the segment revenues in 2023 (-6pp y-o-y). By volume, exports of grains and oilseeds increased by half y-o-y to 796kt in 2023, largely at the pre-war export levels.

Astarta's grain sales destinations, 2023

Source: the Company's data

Aiming to expand grain export capabilities and decrease logistics expenses, the Company shifted focus to large cargo ships and remote destinations such as Spain, Indonesia, Ireland, Italy, and Egypt. The total amount of grains shipped by Astarta through seaborn routes was 550kt.

Active long-distance trade in 2023 boosted grain procurement from third parties compared to 2022, when the Company was mostly focused on exporting inhouse 2022/23 harvest. Therefore, trade volumes stood at 274kt in 2023.

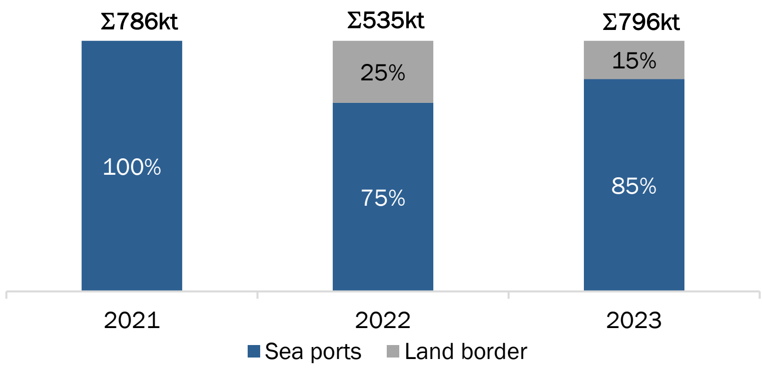
In 2023 Astarta continued to build resilience and ability to withstand commercial challenges. The Company faced serious price risks when buyers were not ready to enter contracts with Ukrainian sellers due to military risks that may arise upon contract execution. Furthermore, as deep-water ports proved to be the most efficient export route, potential closing of seaborn sales increase costs due to lower throughput capacities of other export channels and longer transportation time.

Working in such a turbulent environment involved uncertainty and posed numerous challenges for transportation, including:

- artificially low pace of vessel inspections in the Bosphorus under the UN-brokered Grain Deal led to uncontrolled downtime of the merchant fleet (additional costs for detention/demurrage/storage at the terminal/idle time of wagons and cars);
- eventual termination of the Grain Deal and de facto suspension of exports through deep-water ports for almost half a year;
- exports restrictions across land borders with the EU;
- regular terrorist air strikes from the russian side on energy, railway, and port infrastructure.

Facing seaborne transportation restrictions new routes for international trade were developed, including through ports in the EU and the Danube River (the ports of Izmail and Reni). In particular, from July to September 2023, during closure of deep-water ports shipping was delivered by coastal fleet through Izmail, by rail and trucks.

Astarta's grains and oilseeds export volumes by route, %



Source: the Company's data

The Company operates its fleet of cars and rail wagons. The automotive park includes 15 grain trucks, four tented and nine sugar bulk trucks and an oil tanker. 200 railcars transport grains/oilseeds for exports (to overland borders and ports) and domestically to crushing plants, covering around 1/5 of transportation volumes. Grain wagons are also used to supply soybeans to Astarta's crushing facility and to export plant's products (meal, husk).

Wheat harvesting in the Poltava region

Astarta's Silo Capacities

The Company operates seven elevators with combined grain storage capacity of 562kt located close to its agricultural production areas in the Poltava, Khmelnytskyi and Vinnytsia regions.

The silos intake grains, such as wheat and corn, as well as oilseeds (rapeseeds, sunseeds, soybeans). Apart from storage, the silos also provide services including cleaning, drying, and shipment loading to railcars and trucks for Astarta's internal needs and third-party farmers. Each silo has an automated grain storage management system, and grain quality is checked by in-house accredited laboratories directly at the facility. Each silo can intake up to 6kt of grain per day and is capable of off-loading up to 2kt into trucks and up to 3kt into railcars. Drying capacity is up to 3kt of grains per day.

Astarta's silos handled over 1mt of grains and oilseeds during the reporting period, which is 14% higher y-o-y, corresponding to annual of 2x.

Due to the Company's reliable reputation and transparency, Astarta leveraged the success of the dedicated Loyalty Programme and continued to work with suppliers and third-party agricultural producers in 2023. Grain from third parties was 21% of the total volume handled (compared to 16% in the previous year).

Regenerative Farming at Astarta

Astarta strives to preserve natural resources and soil health through regenerative farming practices. Among key practices are reduced tillage, cover cropping and organic farming. Minimizing soil disturbance through the use of reduced tillage practices allow to leave more organic matter on the surface. This decomposes slower, feeding beneficial soil microbes and improving soil structure. Additionally, less disturbance means less exposure of organic matter to oxygen, which can break it down and release CO_2. This translates to more carbon stored in the soil and less released into the atmosphere, contributing to climate change mitigation.

Cover crops are gaining recognition for their positive impact on both soil and climate. These crops, grown in between commercial crop cycles, benefit the soil by adding organic matter, reducing erosion, and promoting beneficial microbes. This leads to healthier soil with improved water retention and nutrient cycling. Cover crops also play a role in capturing carbon dioxide from the atmosphere and store it in their roots and shoots. This carbon becomes incorporated into the soil, effectively removing it from the atmosphere.

In 2023 Astarta applied reduced tillage to 144kha versus 106kha last year and cultivated cover crops at more than 9kha.

Organic farming is practised one of the Company's subsidiaries - List-Ruchky, the Poltava region. This farming type implies substituting mineral fertilizers with organic ones like green manure (mustard, buckwheat, vetch, and oats). It is ploughed in before winter and turns into high-quality natural fertilizer by spring. A three-year conversion period was required before a farm complied with internationally acknowledged standards and certification procedures and was given an organic status in 2020. The area under organic crops in Astarta remained stable y-o-y at 1.8kha.

The total volume of organic produce grown in the 2023 season was 3.2kt (previous year - 3.7kt), mainly soybeans, millet, flax, mustard, winter rapeseeds and high oleic sunflower. The main buyers of organic produce are end consumers and traders in Germany and France.

Blooming flax field in List-Ruchky

Organic Standard extended the certification for sales into the EU, BioSuisse for exports to Switzerland, Danube Soya, and Europe Soya for exports of organic soybeans to the EU countries. Astarta started the certification procedure for the Canadian Organic Standard (COR) to expand sales geography further. This standard provides access to the Canadian and US markets. In the summer of 2023, Astarta also applied for the International Sustainability and Carbon Certification (ISCC). In 2023 there were five Astarta's production subsidiaries certified under ISCC.

To measure the carbon sequestration results deriving from scaling up regenerative practices Astarta reports row crops data into the Cool Farm tool since on an annual basis. The Cool Farm Tool – a dedicated software developed by a global scientific community targeting GHG emission reduction in agriculture.

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

In 2023 Astarta signed a USD30m financing agreement with European Bank for Reconstruction and Development (the EBRD) which included sustainability-linked loan funded by the Clean Technology Fund aimed at promoting regenerative practices and energy-efficiency improvements.

Market Overview

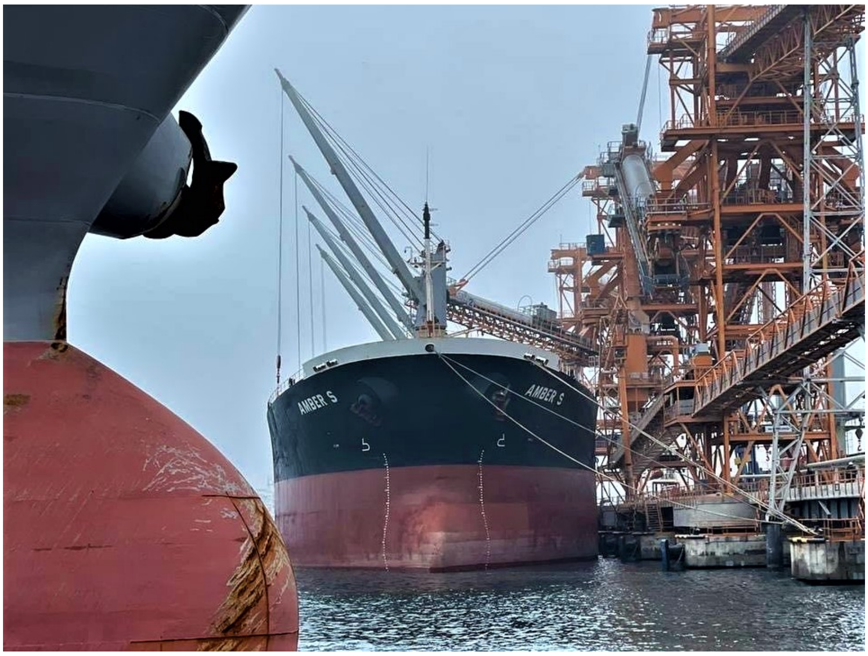
Issues with imports of inputs posed a severe challenge at the beginning of the war. In 2023, the situation somewhat stabilised and prices declined. However, it did not return to pre-war levels, and farmers reduced fertiliser application. During the summer of 2023, Ukraine enjoyed favourable weather conditions, with above-average rainfalls during the vegetation period leading to historically high crop yields and the Ukrainian grain harvest reaching 59mt versus 54mt in 2022. However, 2023 was the most depressed year in the history of Ukraine's agricultural market on pricing and economics for farming producers amid significant challenges in logistic supply chains.

Wheat output amounted to 22mt in 2023 (versus 20mt in 2022) with a yield of 4.8t/ha (previous year - 4.1t/ha). Corn output totalled 29mt versus 40mt in 2022, yielding 7.8t/ha (previous year - 6.7t/ha). 9% of the area under corn remained unharvested as of beginning of March 2023.

Agricultural exports had been a source of tension between Ukraine and its western neighbours after the EU-Ukraine trade liberalisation in June 2022. Eastern European countries became alternative transit routes for the export of Ukrainian agriproduce after the russian invasion in 2022. Ukraine was blocked from the north, east, and partly south, with all major trade activity taking place across the western borders with Romania, Poland, Hungary, and Slovakia. Wheat exports to and via the EU almost doubled y-o-y to 8.2mt in 2023. Exports of corn held flat y-o-y at 15mt in 2023.

Due to a significant increase in imports, temporary protective measures were introduced by the European Commission in May 2023 in relation to Bulgaria, Poland, Romania, Slovakia, and Hungary. Since the autumn of 2023, Polish farmers have also been blocking the Polish-Ukrainian border, joined by truck drivers. This resulted in significant economic losses for Ukraine.

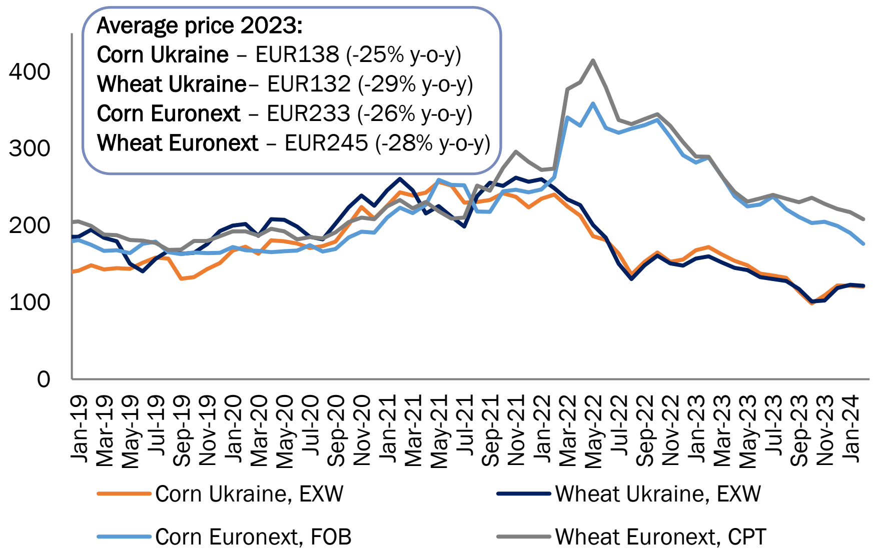
In the sea Ukraine faced record-high freight costs and vessel downtime due to unstable operation of the Grain Deal, which expired in July 2023. By mid-August, Ukraine established a new shipping channel to replace the UN-backed agreement, but in the first months the freight rates skyrocketed due to the risk of vessels being damaged by russian strikes. By the end of the year, the situation with shipments stabilised but global soft commodity prices declined unable to support Ukrainian grain prices. Wheat traded at EUR132/t (-29% y-o-y), while the corn price decreased by 25% y-o-y to EUR138/t on the EXW basis. There is wide price differential between international and Ukrainian grain prices due to the logistical difficulties and costs of exports.



Vessel chartered by Astarta being loaded with grain, December 2023

In 1H23, a significant increase in global corn acreage was registered putting pressure on feed grain prices. The market was expecting a price rise due to the drought from El Niño. The latter being less severe than expected, the prices remained low. Global production of oilseeds, namely rapeseeds and soybeans, increased by almost 30mt, leading to price declines. The EU wheat prices dropped by 28% y-o-y to EUR245/t in 2023, with plentiful supplies from the Black Sea region. The European corn market saw falling prices to EUR233/t, 26% lower y-o-y.

Grains price performance, EUR/t, incl. VAT



Source: APK-inform

Ukraine's Black Sea Agricultural Exports

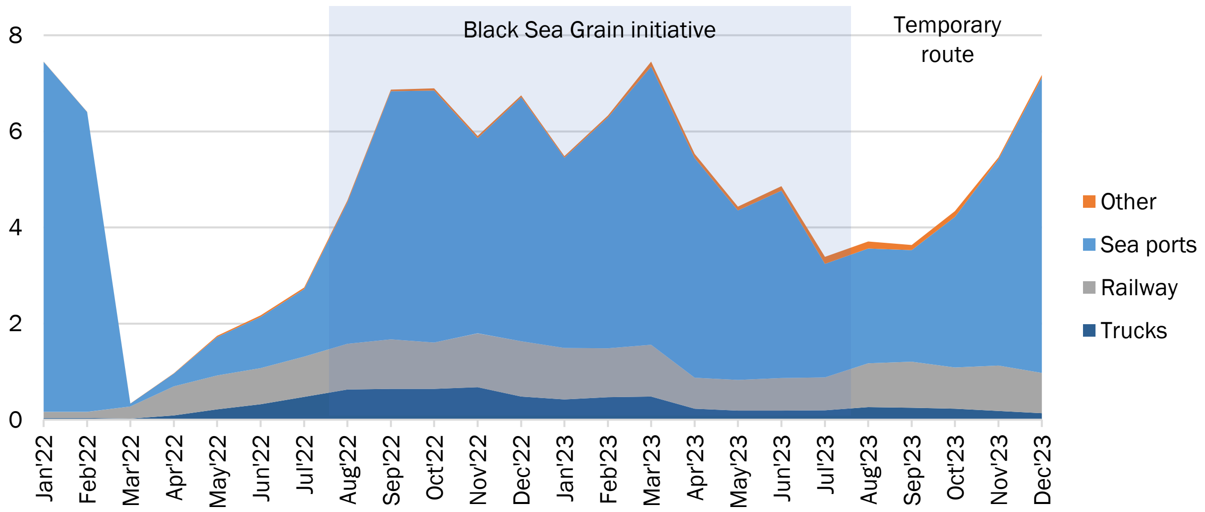
Following the russian invasion in February 2022, Ukraine's Black Sea ports, which served as a critical route for exports, were blocked.

In July 2022, the Black Sea Grain Initiative was launched with the participation of Ukraine, the United Nations, Turkey, and russia, allowing for maritime exports of agriproduce from three deep-water ports of Ukraine. In total, 33mt of cargo was exported via this channel before the registration of new ships was stopped by the russian side in Istanbul in June 2023. One month later, russia refused to extend the Grain Deal and withdrew from the agreement, which guaranteed the safety of shipping. Shortly after, russia launched a series of terrorist attacks on the Ukrainian port infrastructure.

However, in August the Armed Forces of Ukraine successfully enabled the operation of a seaborne route for civil vessels from the three ports of Greater Odesa. That had become the key success of 2023 for the transportation industry, especially for exports.

According to the Ministry of Infrastructure, Ukraine had exported approximately 15mt of commodities on 469 ships to 24 countries through the temporary maritime route since the start of its operation in September until the end of 2023. Thanks to the stable functioning of the Black Sea maritime route, the estimated volume of agricultural produce reached 10mt in 2023.

Ukrainian export of agricultural products by means of transport, mt, 2022-2023



Source: State Customs Service of Ukraine, Ministry of Agrarian Policy and Food of Ukraine

Building self-sufficiency in seeds

Two in-house seed production lines, one in the Western and another in Central Ukraine, supply all the needs for Astarta's operations. This significantly contributes to reducing costs and increasing the production of various crops. The seed production covered corn and sunflower seeds in 2023. A team of professionals provides dedicated support in the field, and production control guarantees the highest seed quality.

In 2023, the Company increased the capacity of sunflower seed production, a pilot project launched in 2022. The output totalled 90t. Corn seeds output reached 902t. Astarta expanded the share of own seeds used in total to 60% in corn, 18% - in sunseeds).

Sugar Production

Share in consolidated revenues: 32%

Segment revenues: EUR199m

Export sales (by value): 20%

Financial Results

Revenues increased by 28% y-o-y to EUR199m mainly on the back of 26% higher y-o-y sugar sales volumes of 284kt.

Gross profit increased by 31% y-o-y to EUR55m with only minor increase in gross margin 28% versus 27% in 2022. EBITDA increased by 13% to EUR39m and the EBITDA margin declined from 22% to 20% in 2023 reflecting higher S&D expenses.

Investments increased by 86% y-o-y to EUR11m reflecting modernisation at one of the sugar plants aimed at introducing plant-based pellets as an alternative to coal.

EURk	2022	2023	y-o-y
Revenues	155 529	199 452	*28%*
Cost of revenues	(113 510)	(144 408)	*27%*
Gross profit	**42 019**	**55 044**	*31%*
Gross margin	*27%*	*28%*	*1pp*
G&A expenses	(6 524)	(7 194)	*10%*
S&D expenses	(7 537)	(15 784)	*109%*
Other operating expenses	263	(1 463)	*-6x*
EBIT	**28 221**	**30 603**	*8%*
EBITDA	**34 752**	**39 290**	*13%*
EBITDA margin	*22%*	*20%*	*-2pp*
CAPEX	(5 884)	(10 927)	*86%*

Production

	2022	2023
Total sugar production, kt	282	**377**
Sugar beet processed, kt	1 970	**2 701**
In house sugar beet, %	*82%*	***74%***

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

	2022	2023
Sugar, kt	226	**284**
Sugar by-products[1], kt	65	**94**
Sugar prices, EUR/t	647	**665**

[1] *Granulated sugar beet pulp, molasses*

Operational Performance

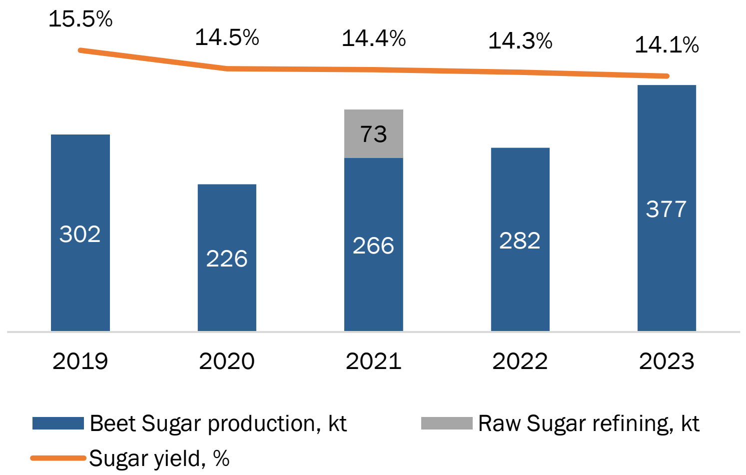
Astarta operates sugar plants in three regions of Ukraine. In 2023, the Company farmed 39kha of sugar beet or 20% higher y-o-y. The gross sugar beet yield was at a record high of 58t/ha versus 56t/ha in 2022 amid warm and humid weather during the vegetation period.

From the end of October 2023, heavy rainfalls in some areas of operation extended harvest time and made it difficult to load and transport sugar beet to the plant. Later in November, frost and snow added to the challenge. Delayed sugar beet harvesting resulted higher logistics and loading costs, but harvesting was successfully completed.

The record-high sugar beet yield led to a longer processing period until the end of January 2024. Overall, the 2023 sugar production campaign lasted for 130 days versus 111 days in the previous year.

During the 2023/24 campaign, the Company increased production of white sugar by 34% y-o-y up to 377kt. The volume of sugar beet processed grew by 37% y-o-y and reached 2.7mt in 2023. The Company's estimated market share remained unchanged at 21% in 2023.

Astarta's sugar production and average sugar yield



Source: the Company's data

The Company continued to build beneficial partnerships with independent sugar beet growers. In 2023, sugar beet supply from them increased to 26% of the total (previous year - 18%) and stood at 707kt of the crop from over 100 growing partners in eight regions of Ukraine. As part of co-operation, Astarta offered a wide range of advice to sugar beet growers on top of attractive procurement contract terms and fair pricing. Partner farmers can also take advantage of financing programmes for sugar beet sowing, seeds, plant protection agents, soil analysis, and complete support during crop cultivation. The farms that work with Astarta regularly have learned how to achieve solid yields and high-quality sugar beets. Astarta stands for honesty, quality, reputation, and responsibility. Therefore, the trust of third-party sugar beet growers in the Company is high.

Sugar beet harvesting in the Khmelnytskyi region

During the sugar beet processing, Astarta also generates by-products such as pressed pulp, dried granulated pulp, and molasses, and sells these products domestically as animal feed to consumers and uses them as ingredients of mixed feed in own Cattle Farming segment, or in biogas production. The volumes of by-products depend on the amount of sugar beet processed, therefore, volumes increased in 2023. Molasses production grew by 1.5x to 98kt, pressed pulp production volume increased to 1.7mt versus 1.5mt in 2022, and granulated sugar beet pulp output totalled 28kt. In 2023, 145kt or 9% of pressed pulp was used at Astarta's bioenergy facility to produce biogas used at the Company's facilities, thus contributing to a circular economy. Also, 223t, or approximately 1% of granulated sugar beet pulp, was used as an alternative energy source at one of the sugar plants.

Sugar sales volume increased by 26% y-o-y to 284kt in 2023, while the average selling price increased by 3% to EUR665/t. In local currency, due to inflation and forex movements, Astarta's sugar selling prices increased by 18% y-o-y to UAH26k/t (excl. VAT).

Astarta's share in total Ukrainian sugar exports was 12% at approximately 50kt in 2023. Italy and Romania were the key destinations, with 29% and 25% share of the Company's exports, respectively. Hungary, Spain, and Bulgaria were also significant importers of its sugar in 2023. 99% of Astarta's sugar was exported by overland transport, primarily by trucks (67%) and rail.

Half of sugar output was supplied to downstream producers, primarily in the food industry, including confectionery, bakery and beverages. Astarta had established long-term relationships with key sugar market players in the EU, promoting a mutually beneficial cooperation. The Company is supplying readily useable white sugar to its clients, meeting international and EU quality and sustainability product standards. Astarta's sugar products are certified under FSSC 22000, ISO 22000, and ISO 9001 standards. HALAL certification is underway.

Astarta continued to work on unification and optimisation of packaging to build an attractive consumer brand and expand the customer base and the sales markets. Packaging is now available in 1, 25, 50, and 1,000kg polypropylene or paper bags.

The Sugar Production segment is the most energy-consuming part of the business, and energy supplies account for a quarter of sugar production costs. The consumption of gas used as the primary energy source in sugar beet processing increased by 40% y-o-y to 60m cu m in 2023/24 marketing year[2] due to a longer processing period. Various strategies were adopted to optimise energy supply and costs. One of them was sourcing alternative fuels, such as sunseed pellets and granulated sugar beet pulp, and using them to dry beet pulp, thus partially replacing natural gas consumption and making a small contribution to a circular economy.

Commitment to sustainable sugar

In 2023, Astarta developed a decarbonisation strategy, including raising energy efficiency and weaning from fossil-based sources. The goal is to scale up alternative energy use in addition to biogas from the beet pulp to reduce impact on climate and increase energy self-sufficiency. The share of biogas in total consumption was 9% in 2023 and 10% in 2022.

In 2023 Astarta modernised boilers at Narkevytsky sugar plant aiming at substitution of fossil fuels such as coal with biomass pellets. As result, coal consumption at the plant reduced by 33% y-o-y to 9.7t leading to decline in Scope 1 emissions generated by the plant by 32% to 30kt of CO_{2eq}.

Sugar Market Overview

With a 36% y-o-y rise in cultivation area to 250kha, favourable growing conditions and above-average sugar beet yields, the Ukrainian sugar output surged 1.5x y-o-y in 2023. In the 2023/24 production season, sugar mills processed 12mt of sugar beet into 1.8mt white sugar, compared to 1.2mt in 2022. Thirty mills were operating in the 2023/24 processing campaign compared to 23 mills in the 2022/23 season.

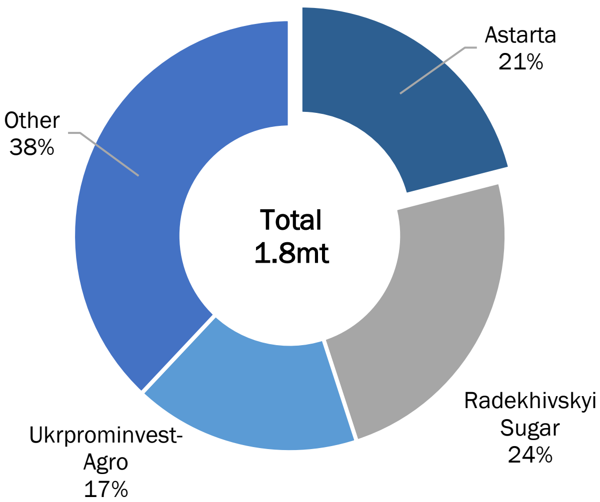
Taking into account occupied territories and the large number of Ukrainians that have left the country since the start of the russian invasion, the sugar consumption is estimated at approximately 1mt. The Ministry of Agrarian Policy and UkrSugar have agreed that the maximum possible volume of sugar exports based on the preliminary balance of supply and demand in the 2023/24 marketing year should not exceed 650kt.

Ukraine's sugar industry has a large export potential. The total capacity of operating sugar plants is estimated at 2mt. Due to the complicated export logistics of grains, domestic farmers show interest in sugar beet acreage growth and promoting the domestic sugar industry. However, this requires stable and predictable access to exports markets.

In 2023, the Ukrainian government suspended white sugar exports from June to mid-September. After the ban was lifted, Ukrainian sugar exports tripled to 502kt as Ukraine capitalised on the Free Trade Agreement (FTA) with the EU. Romania accounted for a quarter of sugar exports in 2023. The FTA proved to be a lifesaver for the Ukrainian sugar industry and overall economy in 2022-2023.

[2] *Sugar marketing year in Ukraine runs from September to October*

Sugar production by key players in Ukraine, 2023, %



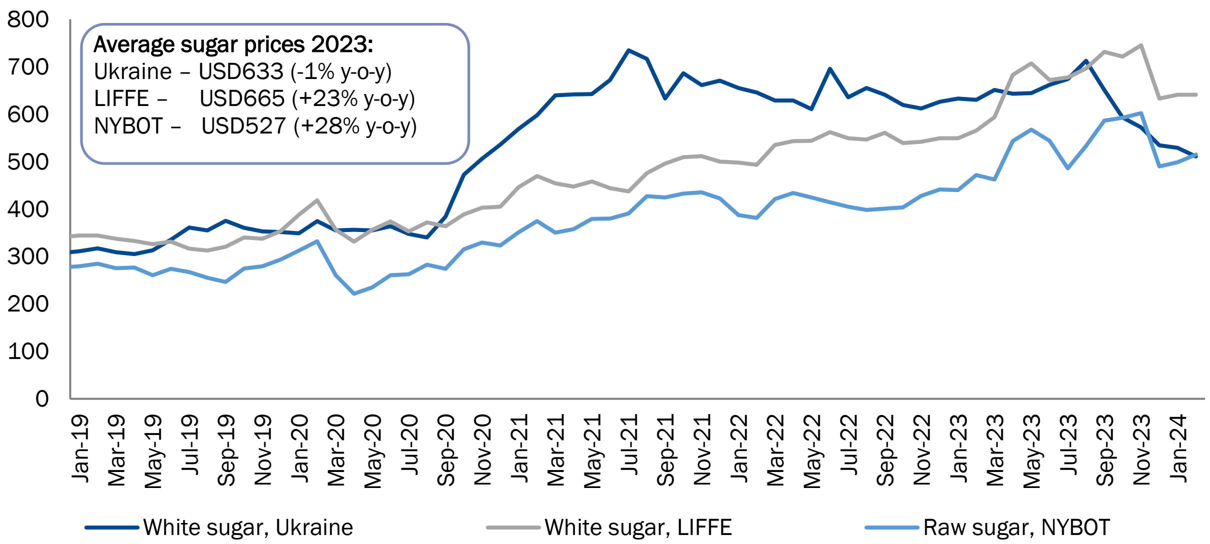
Source: UkrSugar, the Company's data

In 2024-2025 the EU sugar output is estimated at 17mt by the GlobalData versus ~18mt consumption. Therefore, the EU would remain a net importer of sugar. Ukrainian and European agricultural producers need to develop a mutually beneficial model of long-term cooperation that will consider the interests of producers and consumers.

The world market prices for white sugar started to rise at the beginning of 2023, and this trend has continued throughout the year with high volatility. The reason for price fluctuations was growing production estimates in Brazil. Eventually, expectations that not all Brazilian sugar would be delivered to the global markets, stabilized the market. In November 2023, international prices briefly rose above USD745/t, then in December 2023, they sharply declined to USD633/t on massive reversal of speculators' net long position. A decline in oil prices put downward pressure on the international sugar market too ethanol production was reduced in favour of sugar production.

Ukrainian sugar traded on an average of USD633/t excl. VAT during 2023, flat y-o-y. In local currency, white sugar prices increased by 20% y-o-y to UAH24k excl. VAT owing to inflation and forex movements. The start of the new processing season and prospects of higher domestic sugar output put pressure on local prices, leading to their decline since end-August 2023.

Global and Ukrainian sugar prices, USD/t



Source: Bloomberg

Soybean Processing

Share in consolidated revenues: 20%

Segment revenues: EUR122m

Export sales of soybean products (by value): 82%

Financial Results

In 2023 36% y-o-y lower soybean oil prices were offset by a 27% increase in soybean meal sales volumes leading to EUR122m of revenues, same as in 2022. Exports contributed 82% of these. Gross profit declined by 6% y-o-y to EUR35m. Gross profit margin was almost unchanged at 29%.

EBITDA remained at EUR28m with EBITDA margin at 23% flat y-o-y. Investments in the segment grew to EUR14m after the start of the soybean protein concentrate production project.

EURk	2022	2023	y-o-y
Revenues, including	121 886	121 539	0%
Soybean meal	64 094	84 555	+32%
Soybean oil	56 195	35 468	-37%
Cost of revenues	(84 713)	(86 436)	2%
Gross profit	**37 173**	**35 103**	-6%
Gross margin	*30%*	*29%*	*-1pp*
G&A expenses	(748)	(843)	13%
S&D expenses	(9 592)	(7 739)	-19%
Other operating expenses	(620)	(263)	-58%
EBIT	**26 213**	**26 258**	0%
EBITDA	**27 690**	**27 956**	1%
EBITDA margin	*23%*	*23%*	-
CAPEX	(832)	(13 988)	17x

Production

kt	2022	2023
Soybeans processed	211	**232**
Soybean meal	155	**172**
Soybean oil	40	**45**

Sales volumes of soybean products and realized prices

	2022		2023	
	kt	*EUR/t*	*kt*	*EUR/t*
Soybean meal	138	465	**175**	**482**
Soybean oil	43	1 312	**42**	**839**

Operational Performance

The Soybean Processing segment is represented by the modern crushing facilities of the Globynsky Processing Plant in the Poltava region, which is one of the largest domestic soybean crushers with annual capacity of 230kt of soybeans. The plant uses soybeans procured from local grower partners from Astarta's Agricultural segment. The soybeans are crushed into a high-protein meal, soybean oil and granulated shell. The products are marketed and supplied in bulk to customers.

Ample supply of raw materials allowed for processing to increase by 10% y-o-y to 232kt reaching the maximum utilisation. The share of the in-house crop was 32% in 2023 versus 41% in the previous year. Astarta's share in soybean processing volumes in Ukraine in 2023 is estimated to be approximately 14%.

Production of soybean oil grew by 13% y-o-y to 45kt in 2023. Soybean meal output rose by 11% y-o-y to 172kt.

Soybean harvesting, the Vinnytsya region

Sales and Logistics

In 2023, the Company increased the sales of soybean products by 20% y-o-y to 227kt. Traditionally, the main customers for soybean meal were animal feed producers and traders, and for soybean oil - biodiesel producers that use the oil as feedstock.

Astarta's Soybean Processing segment is export-oriented. The Company sent 79% (flat y-o-y) of produce abroad. Namely, 92% of soybean oil and 77% of meal were sold outside Ukraine. The Company's soybean products were exported to nine countries in 2023, with Hungary, Poland, and Romania being the key destinations. Historically, Astarta was the first Ukrainian player to export soybean products to Hungary and Romania and continues to build its solid customer base in the region. Astarta is enjoying benefits from being recognized as trusted and reliable trade partner amid adherence to the highest standards of production quality and certification. During the production process, the Company systematically monitors the quality, quantity and safety of raw materials and finished products in accordance with international standards ISO 9001, ISO 22000 and GMP+B1.

The soybean products were exported by overland transport, mainly by railway (78%) and trucks (22%). In 2023 Astarta also managed to ship a few vessels of soybean oil to India. Transportation of soybean products is much easier compared to grain and the Company has well established overland logistics.

To foster energy independence, the Company committed to gradually increasing substitution of natural gas consumption by biogas in the Soybean Processing. In 2023 biogas substituted 75% of the crusher's gas needs versus 50% in 2022.

Market Overview

According to UkrAgroConsult, Ukraine harvested a record soybean crop in 2023. Considering good profitability of oilseeds, planted area stood at 2mha (+20% compared to 2022); yield - 2.7t/ha (+6% y-o-y) resulting in the 5mt harvest (+28% y-o-y). Plentiful supplies had a positive impact on the processing industry capacity utilisation of and crushing margin.

Approximately 1.4mt of soybeans were crushed domestically in the 2022/23 marketing year[3] and 1.5mt is an estimated crushing volume for 2023/24 marketing year.

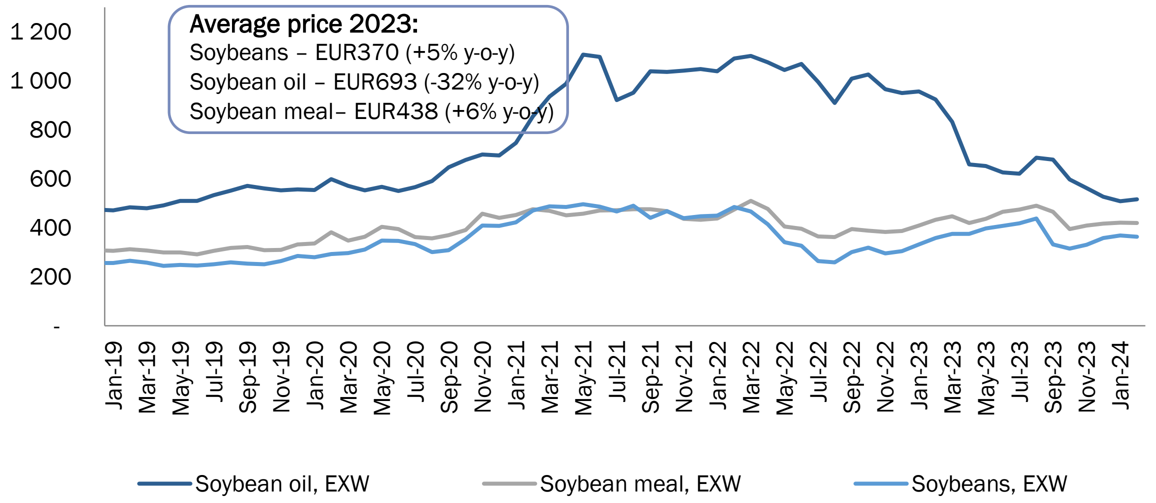
The average annual soybean oil price in Ukraine stood at EUR693/t on the EXW basis (-32% y-o-y). There was strong competition between soybean exporters and processors, which supported prices after they fell under pressure of abundant supply of the new crop. Also, domestic price was under the pressure from the global market oversupply. However, due to high margins, soybeans remain among the most profitable crops in Ukraine. Analysts forecast further soybean acreage expansion in 2024 at the expense of corn.

Soybean products exports were breaking last four-year records in 2023. The export of soybean oil from Ukraine increased by 17% y-o-y to 284kt in 2023. Given the geographic proximity, 85% of oil was exported to the EU countries versus 90% in 2022. Soybean meal exports increased almost 1.5x to 627kt in 2023.

The absence of import restrictions on soybeans and soybean products from Ukraine by the EU confirms regional demand for Ukrainian soybean products.

[3] *Soybean marketing year in Ukraine runs from September to August*

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



Source: APK-inform

Certified soybean oil

Astarta's crushing plant is certified under the ISCC EU (International Sustainability and Carbon Certificate) scheme since 2022 to demonstrate the sustainability of soybean products. The certification testifies that the producer meets the EU-recognized sustainability criteria and allows to attract new clients and strengthen its relations with existing ones.

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

ISCC International Sustainability & Carbon Certification

Cattle Farming

Share in consolidated revenues: 7%

Segment revenues: EUR43m

100% - domestic sales

Financial Results

Revenues grew by 10% y-o-y to EUR43m. Gross profit flat at EUR19m in 2023 and gross margin declined from 49% to 44% as the changes in BA per IAS41 were recognised at EUR6m versus EUR7m in 2022 reflecting lower milk prices. EBITDA increased by 3% y-o-y to EUR19m in 2023.

The Company increased investments to EUR5m during the reporting period, mainly in farms reconstruction, improvement of animal living conditions in accordance with the EU standards and modernisation of feed preparation equipment.

EURk	2022	2023	y-o-y
Revenues	38 610	42 598	10%
Cost of revenues	(26 889)	(29 891)	11%
BA revaluation	7 016	5 978	-15%
Gross profit	18 737	18 685	0%
Gross margin	49%	44%	-5pp
G&A expenses	(1 531)	(1 604)	5%
S&D expenses	(416)	(416)	0%
Other operating expense	(226)	(559)	147%
EBIT	16 564	16 106	-3%
EBITDA	18 098	18 650	3%
EBITDA margin	47%	44%	-3pp
CAPEX	(1 300)	(5 006)	4x

Milk production volume, herd and productivity[4]

	2022	2023
Milk production, kt	102	**115**
Herd, k heads	23	**26**
Unit milk yield, kg/day	23.6	**25.8**

Sales volumes of milk and realized prices

	2022	2023
Milk sales, kt	98	**111**
Milk price, EUR/t	367	**352**

[4] *average reporting period number*

Operational Performance

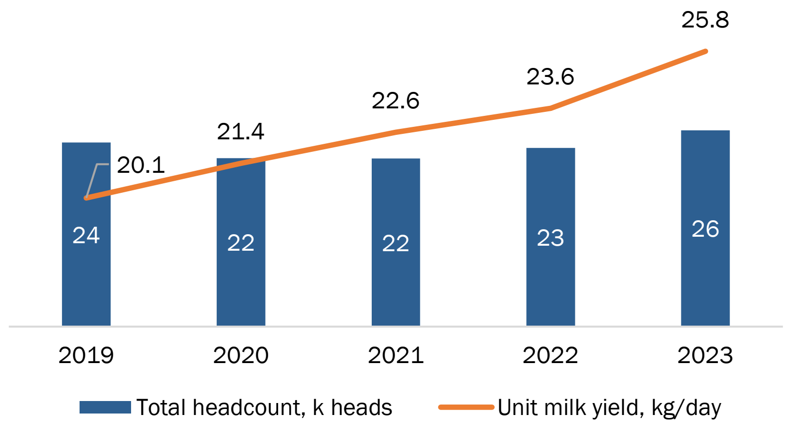
Over the two years of war, Astarta's Cattle Farming segment adjusted to difficult conditions to ensure food security in Ukraine while achieving solid financial results.

Astarta's Cattle Farming Segment is spread across 33 dairy farms in three regions of Ukraine and specialised in producing raw milk for further sales to industrial dairy processors. The Company has a large-scale heifer facility opened in 2012 to raise up to 5k heads of highly productive heifers that replenish the farms' herd.

Average annual herd totalled 26k heads (+10% y-o-y) in 2023, of which 47% were milking cows (compared to 51% in 2022). As of the end of 2023, the total herd stood at 27k heads.

Efficient farm management and a balanced diet led to a 9% y-o-y increase in the daily average unit milk yield to a record 25.8kg/day at Astarta's farms. This, together with the 3% y-o-y growth of the milkable size of herd resulted in a 12% y-o-y higher milk production of 115kt in 2023.

Astarta Herd Size and Unit Milk Yield, 2019-2023



Source: the Company's data

Sales volumes of raw milk increased by 13% y-o-y to 111kt in 2023, of which 96% was of extra quality (previous year - 94%). All milk is sold domestically. According to the Ministry of Agrarian Policy, dairy processors will have to use only extra-quality milk that meets European quality standards after the war. An average raw milk selling price increased by 10% y-o-y to UAH14k in local currency. In Euro terms, the selling price lowered by 4% y-o-y to EUR352/t in 2023 amid inflation and forex movements.

Baling straw for roughage and bedding, the Vinnytsya region

The Company supplies premium-grade raw milk to leading large-scale dairy processors in Ukraine, with Loostdorf, Yagotynsky Butter Plant, and Kremenchuk City Milk Plant being the main customers.

Astarta's share in domestic industrial milk production was stable at four percent in 2023. Overall, the Ukrainian dairy market is highly fragmented due to the presence of many local milk producers. According to estimates, some of the major industrial producers are MHP, Buchachhlibprom, and Ukrainian Milk Company.

Feed accounts for 2/3 of total production costs in dairy farming. The Company grows and produces in-house forage grass and concentrated feed, which almost entirely meet livestock's nutritional needs. In 2023, the area under forage crops totalled 8kha.

Astarta operates the cattle Feed Centre, the largest in Ukraine, and the feed mill in the Poltava region. This significantly reduces dependence on external suppliers and lowers production, transportation, and storage costs. The Feed Centre produces balanced and high-quality rations for cows, which are among the most essential factors for herd health and productivity. Astarta regularly monitors feed performance and efficiency and adjusts feed mix that enhances balanced nutrition, improves feed conversion ratio, and promotes animal welfare and health. Feed formulas are regularly adjusted to the season and stage of production to better satisfy animals' needs for nutrients and minerals.

Digital automated ProFeed animal feeding system was operational at 21 farms out of 33 during the reporting period, compared to nine farms in 2022. The IT-based feeding solution allows to deliver perfect feed mix, achieve precise ingredient formulations and increase farm efficiency.

Market Overview

Ukraine's total cows' headcount has been in decline for decades. It continued in 2023, and the Ministry of Agrarian Policy estimated that the cow's headcount decreased by another 5% y-o-y to 1.3m animals.

According to the State Statistics Committee of Ukraine in 2023, 7.4mt of raw milk was produced in Ukraine, down by 6% y-o-y. Industrial milk production averaged 2.8mt or 38% of the total, which was 6% higher y-o-y corresponding to prewar levels. These numbers provide confidence in the development of the Ukrainian dairy industry.

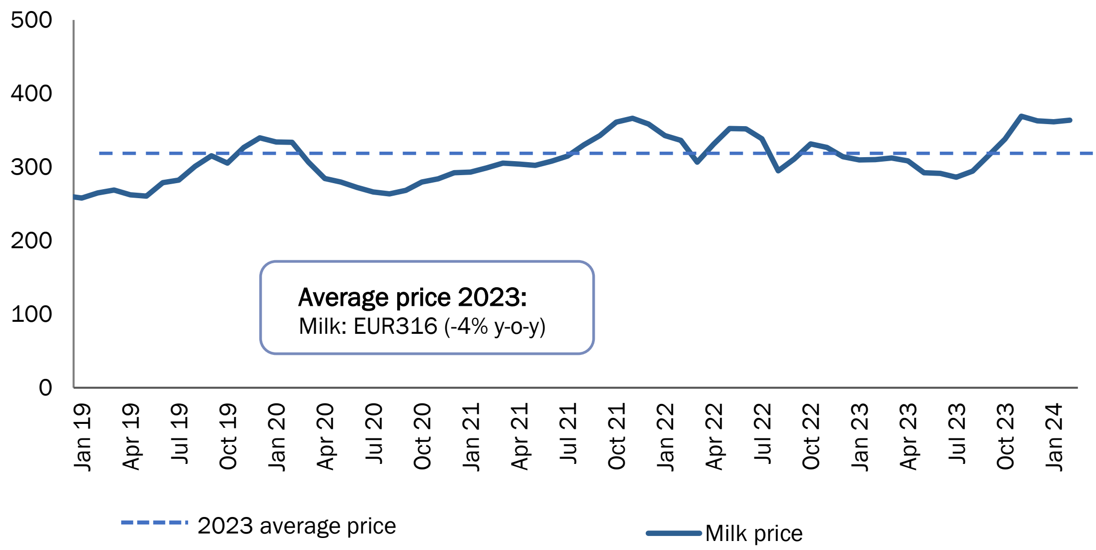
Astarta's heifer facility, the Poltava region

Household milk production stood at 4.5mt in 2023 (-11% y-o-y), driving the overall decline in total milk production. Small-scale farmers were significantly affected by the full-scale russian invasion as some had to leave their livestock in the occupied territories. The culling of injured animals also added to the decline in headcount. Many fields and pastures got contaminated with mines and shells, leading to the deterioration of feeding capabilities.

It is important that 88% of processed milk is sourced from the industrial farming sector, and therefore, the reduction in household milk output does not materially impact the supply of raw materials to the dairy production industry. The Ministry of Agrarian Policy believes that average annual milk consumption per capita in 2023 remained flat y-o-y at around 200 kg/person.

The average 2023 annual milk price increased by 12% y-o-y in local currency terms, to UAH12k/t excl. VAT; however, premium quality milk price decreased by 4% y-o-y to EUR316/t in 2023 in the Euro equivalent (previous year - EUR328/t) amid inflation and forex movements.

Ukrainian premium quality milk price, EUR/t



Source: Infagro

Shareholders and Share Price Performance

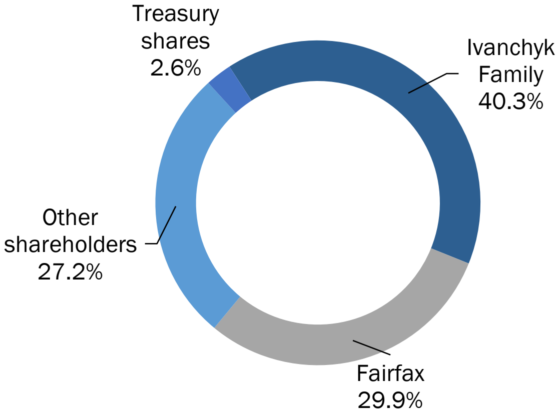
ASTARTA HOLDING PLC is a public company with shares listed on the main market of the Warsaw Stock Exchange since 2006 and is registered in the securities deposit under ISIN code NL0000686509 and ticker AST. The Company is a constituent of the WIG, WIG140, sWIG80 and WIG–Ukraine indices. As of December 31, 2023, the issued capital of ASTARTA HOLDING PLC consisted of 25,000,000 ordinary shares (December 31, 2022 - same).

Since September 16, 2022, Astarta is based in Cyprus, with the registered office in Nicosia, Lampousas Str., 1.

As of the end of 2023, ASTARTA HOLDING PLC shareholder structure remained stable and the Company had two major long-term shareholders. The family of Mr.Viktor Ivanchyk (the Founder and CEO) held 40.26% or 10,064,902 of total shares outstanding through Albacon Ventures Limited. During 2023 the family of Mr.Viktor Ivanchyk increased their stake by 0.26% or 64,902 of shares via open market transactions. Fairfax Financial Holdings Ltd, the second major shareholder, continued to own 29.91% or 7,477,676 of the shares through its subsidiaries. The rest of Astarta's shares are distributed among other shareholders, such as the US and the EU financial institutions and private investors, save for 2.62% held as treasury shares[5] (previous year: 3.00%. For more information, please refer to "Remuneration Report" section of this report) that were repurchased during previous years within the Buyback programme.

Shareholder structure at 31 December, 2023

(25,000,000 shares)



Source: the Company's data

Despite turbulent times, the Company finished 2022 with encouraging financial results. Considering this, Astarta's shareholders approved a dividend of EUR0.50/share at the annual general meeting of ASTARTA HOLDING PLC on 24 May 2023. The dividend distribution totalled EUR12m in 2023 and was paid out on the 16 June 2023.

Starting from an opening price of PLN21 on 2 January 2023, also recorded as its lowest for the year, Astarta's share price performance was marked by several increases and declines. In March 2023, following the news of delisting of another Ukrainian issuer, the share price of Astarta fell slightly on concerns among stakeholders. Furthermore, there was considerable uncertainty regarding the availability of seaborn grain exports throughout the year as well as continuous russia's terrorist air strikes on Ukrainian ports infrastructure that were affecting price performance and weighting on the stocks' volatility.

Over time the share price recovered by reached its annual high of PLN38 on 19 July 2023 on expectations of the Company's half-year results. Astarta's share price closed at PLN29 at the end of the year. Overall, the average annual share price increased by 18% y-o-y in Polish Zloty terms to PLN29 during the reporting period.

The average daily trading volume reached 18k shares in 2023 (previous year: 45k shares). Trading volume soared to 128k of shares on 24 April 2023 following the publication of the Company's 2022 annual results.

Despite the challenges posed by the war Astarta maintains close and comprehensive communication with investors, analysts and other stakeholders. In 2023 Astarta's top-management and Investor Relations department presented the Company and its performance on numerous personal meetings and conferences in the EU, USA and other markets.

[5] *Treasury shares – shares held by ASTARTA HOLDING PLC, repurchased via buy-back programme*

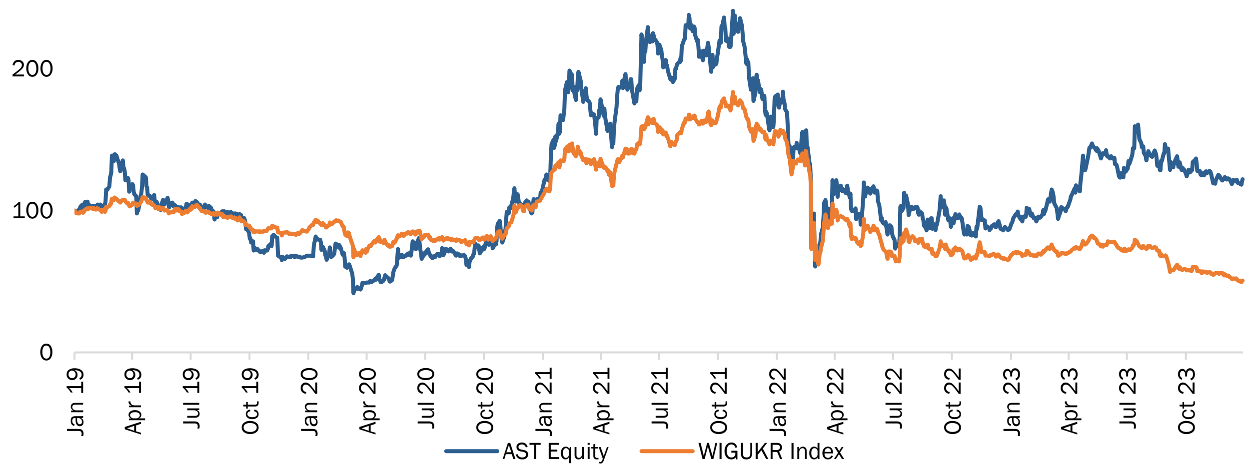
Key figures for the ASTARTA HOLDING PLC shares:

Data/Year		2019	2020	2021	2022	2023
Opening price	*(PLN per share)*	24	16	29	42	**21**
Highest trading price	*(PLN per share)*	33	27	57	43	**38**
Lowest trading price	*(PLN per share)*	15	10	28	14	**21**
Closing price	*(PLN per share)*	16	26	42	20	**29**
Closing price	*(EUR per share)*	4	6	9	4	**7**
Market capitalisation as of 31 December	*(PLNk)*	400 000	655 000	1 060 000	510 000	**717 500**
Market capitalisation as of 31 December	*(EURk)*	94 025	143 121	230 963	108 993	**165 134**
Dividend*	*(EUR per share)*	nil	nil	0.5	nil	**0.5**
Dividend yield	*(%)*	nil	nil	4.3	nil	**6.9**

**Dividends were first distributed in 2021*

Astarta' share price performance versus the WIG-Ukraine Index over five years

02 January 2019 to 29 December 2023, in %



Source: Bloomberg

Alternative Performance Measures

To comply with ESMA Directive on Alternative Performance Measures ("APMs"), ASTARTA HOLDING PLC presents this additional disclosure, which enhances the comparability, reliability, and comprehension of its financial information.

The Company presents its results in accordance with International Financial Reporting Standards (IFRS), but also considers certain supplemental non-IFRS measures used for performance analysis and reporting.

These Alternative Performance Measures are:

- Gross Margin
- EBITDA (EBITDA LTM) and EBITDA Margin
- RMI (Readily Marketable Inventories)
- Net Debt Total
- Net Financial Debt
- Adjusted Net Debt
- Working Capital Changes
- Operating Cash Flows before Working Capital Changes

<u>Gross Margin</u> is calculated as Gross Profit divided by Revenue during the reported period.

<u>EBITDA (EBITDA LTM)</u> - Earnings before interest, taxes, depreciation and amortization is calculated as profit from operations and adding back total amortization of intangible assets, total depreciation of property plant and equipment and right-of-use-assets and impairment of fixed assets. The management of the Company considers it relevant for a better understanding of the Company's financial performance.

EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Company. Therefore, the EBITDA presented in this report cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

<u>EBITDA Margin</u> is calculated as EBITDA divided by Revenues during the reported period.

RMI (Readily Marketable Inventories) – Total Finished Goods, such as corn, wheat, soybean, sunseeds, rapeseeds, sugar beets, sugar and sugar by-products, soybean meal, husk and oil, milk, etc.

Net Debt Total is calculated as sum of Long-Term and Short-Term Debt adding Lease Liabilities less Cash and Short-Term Cash Deposits.

Net Financial Debt is calculated as Net Debt Total less sum of Current and Non-current Lease Liabilities.

Adjusted Net Debt is calculated as Net Debt Total less Total Finished Goods (RMI).

Working Capital Changes is calculated as Decrease/(Increase) in Inventories adding Decrease/(Increase) in Trade and Other Receivables adding Decrease/(Increase) in Biological Assets due to Other Changes adding Increase/(Decrease) in Trade and Other Payables.

Operating Cash Flows before Working Capital Changes - is calculated as Cash flows provided by operating activities less Working Capital Changes.

Alternative Performance Measures Table

EURk	2022	2023
Gross Margin	*41%*	*36%*
EBITDA (EBITDA LTM)	154 771	145 368
EBITDA Margin	*30%*	*23%*
RMI (Readily Marketable Inventories)	183 529	181 112
Net Debt Total	152 283	156 338
Net Financial Debt	43 141	38 750
Adjusted Net Debt	(31 246)	(24 774)
Working Capital Changes	(102 926)	(44 207)
Operating Cash Flows before Working Capital Changes	142 294	135 510

Astarta believes that these APMs better reflect the Company's core operating activities and provide both management and investors communities with information regarding operating performance, which is more useful for evaluating the financial position of the Company than traditional measures, to the exclusion of external factors unrelated to their performance.

Risk Management

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

1	Identification	Processes to remediate negative impacts and channels for affected communities to raise concerns
2	Analysis and assessment	The Company evaluates the nature of risks which can considerably impact the company's ability to achieve its goals, including risk probability and degree of the impact on the business
3	Control and monitoring	The control and monitoring are conducted at all levels by the owners of risks within the operational process
4	Communication and consultation	In order to ensure that the stakeholders in the risk management process are informed of the risks in a timely and accurate manner, the Company diligently distributes relevant internal information

The Company identifies four groups of risks: regulatory, financial, commercial, operational.

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

Material Risk Factors and Threats

	RISK	IMPACT	MITIGATION
REGULATORY RISKS	Legal risk	Non-compliance with applicable legislation can expose the business to legal liabilities, penalties and material losses (financial, reputational). Non-compliance of transactions with current legislation.	• Adherence to relevant compliance procedures and legislation, regular management of risks by the compliance committee. Professional competence of the staff. • Participation in industry associations for the purpose of representing the interests of the Company.
	Compliance risk	Losses (financial, reputational) due to violations of laws, corporate rules, codes of conduct, etc.	• Adherence to the relevant procedures of current legislation and internal policies. Professional competence of the staff responsible for the compliance. • Raising staff awareness and knowledge of relevant compliance procedures and regulations.
	Reputational risk	Inappropriate behaviour or actions of business partners, management or employees can harm the good name of the Company resulting in reputational damage.	• Open and proactive communication policy. • Appropriate response and contingency plans. • Encouraging ethical behaviour of employees.
	State regulation and supervision	The business may be affected by changes in fiscal, tax or other regulations. In particular, the changes in the legislation relate to the reduction of the impact of the activities by agricultural companies on climate change, and the introduction of additional requirements for the disclosure of non-financial information.	• Monitoring and compliance with the regulatory environment. • Participation in industry associations in order to represent the interests of agro companies. • Taking measures to reduce the impact of the activities by agricultural companies on climate change, in particular to increase energy efficiency by using alternative energy sources and increasing the efficiency of natural resource use.
	Corruption risk	Failure to properly manage the corruption risk may damage the Company's reputation and impact financial performance.	• Strict adherence to the Anticorruption policy and controls.
FINANCIAL RISKS	Liquidity risk	The Company's inability to meet its financial obligations in a timely manner may have a negative impact on its financial results.	• Strategic and financial assessment of the company's current performance and quick response to deviations from the set targets.
	Interest rate risk	Changes in interest rates may affect the financial performance.	• A financing strategy aimed at utilising opportunities to fix interest rates. For more details see the corresponding notes on the consolidated financial statements.
	Currency risk	High volatility of the Ukrainian hryvnia and exchange rate fluctuations may affect the business.	• Balanced sales strategy ensuring sufficient export revenues. • Matching the timing of export sales with the purchase of inputs denominated in foreign currencies. • Fixing purchase and sales prices.
COMMERCIAL RISKS	Price risk (for purchasing/ selling)	Volatility of the raw material prices may affect the results of operational activity and profitability. Risks of unprofitable trading activity.	• Product price fixing. • Diversified portfolio of products. • Balanced portfolio of customers. • Flexible sales policy. • Tight control of the trade positions. • Strategic long-term cooperation with suppliers and a diversified supplier base. • Resource and energy saving.
	Counterparty risk	Non-fulfilment of financial obligations by counterparties may adversely impact the Company's financial position.	• Risk management policies and counterparty risk assessment systems. • Regular analysis, verification and monitoring of counterparties and agreement terms.

OPERATIONAL RISKS	Climate risk	Unfavourable weather conditions and low precipitation could have a negative impact on crops' yields and per-unit cost of production. Introduction of legislation aimed at reducing GHGs may result in additional taxes and/or fines. Decline in demand for some types of products due to changes in consumer preferences in favour of more eco-friendly products.	• Location of business units in different climatic zones of Ukraine in order to spread the geographical diversification of the risk. • Expanding irrigation. • Adjusting the crop mix towards changing climate conditions. • Modern agronomic solutions including precision farming to minimize and deliver inputs at the right place and time. • Assessment of global food trends and scenario analysis. • Cooperation with food industry leaders and key off-takers.
	Staff risk	Shortage of qualified, insufficient motivation, the risk of fraud and staff illegal actions can affect the activities of the Company.	• Educational projects to encourage young people to join agriculture and promote attractiveness of the industry for prospective employees. • Internship for students with a further job placement. • Professional training and development programmes. • Material and non-material staff motivation programs, staff reserve creation. • Control of staff actions and internal staff management systems.
	Technical/ Technological risk	Deterioration of product quality may affect the Company's reputation and customer relationships. The use of outdated technologies may carry risk of productivity loss.	• Quality management and certification. • In-house control systems. • Modernisation of production processes and technologies. • R&D solutions.
	Ecological risk	Under business expansion the Company may face a risk of environmental components pollution (air, water, soil, flora and fauna) which can result in disruption of expansion plans or complicate the business activities.	• Strict environmental monitoring according to national legislation and internal corporate standards.
	Operational processes	Shortcomings or errors in the organization of internal processes, intentional or unintentional actions of employees or other persons can affect the financial position of the agricultural holding.	• Effective system of internal control. Availability of business processes, regulations, appointing of responsible persons.
	Loss of assets caused by any physical interference	Natural disasters, fires, robberies, fraud, military operations etc.	• Assets insurance. • Efficient health and safety system including fire-fighting capability. • Monitoring and control of employees' actions (internal security function). Video surveillance. • Increasing the share of long-term land lease contracts (up to 49 years). Monitoring legislation regarding the mechanisms and rules of land sales and land leases.
	Logistics and storage risk	Logistical challenges may negatively impact relations with clients and interfere with business processes	• Inhouse network of grain and oilseeds storage and handling facilities. • Inhouse transportation fleet.
	IT risk/cyber risk	Data loss or dissemination may have a negative impact on the financial position and reputation of the Company	• Implementation of the information security and cyber-risk management systems, Business Continuity Planning (BCP) • Cloud storage systems, systems of independent servers, and backup systems
	Pandemics (COVID-19,	The consequences of the pandemic can disrupt the activities of the Company.	• An intensive communication and educational campaign among the staff on the risks associated with pandemics to promote its prevention.

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

Members of the board of directors of ASTARTA HOLDING PLC

Viktor Ivanchyk	Executive Director	*(signed)*
Viacheslav Chuk	Executive Director	*(signed)*
Savvas Perikleous	Executive Director	*(signed)*
Howard Dahl	Non-Executive, Independent Director	*(signed)*
Gilles Mettetal	Non-Executive, Independent Director	*(signed)*
Markiyan Markevych	Non-Executive Director	*(signed)*

15 April 2024

Nicosia, Cyprus

SUSTAINABILITY

General Information

General Disclosure

General basis for preparation of the non-financial information

The information presented in the sustainability section of this report includes data as of the end of fiscal year ending 31 December 2023 and is applied to ASTARTA HOLDING PLC with its subsidiaries on the same basis as the Consolidated Financial Statements for the fiscal year ending 31 December 2023. Given that all key production subsidiaries are based in Ukraine, the governing bodies, functional departments, processes and documents (including policies, regulations, procedures, instructions, etc.) mentioned in the Sustainability section of this Report may pertain to those of the main operating Ukrainian subsidiary – LLC firm Astarta-Kyiv, unless stipulated otherwise.

Astarta has evaluated the importance and applicability of key sustainability topics to its business and focused on those aspects that are deemed material to the Company and its key stakeholders, namely, topics that could result in a significant economic, social, or environmental impact, or those that significantly influence stakeholders' perceptions and decisions. Lower priority topics are subject to monitoring and review.

For certain material topics related to the Company's upstream and downstream value chain, please refer to the section "Climate Change". In 2023 Astarta entered into a tri-party agreement with the EBRD and KPMG Ukraine to identify sustainability priorities for its supply chain, reduce Scope 3 carbon footprint and enhance overall environmental and social impact. The project will help to identify key suppliers and conduct a risk assessment for the procurement based on criteria, which takes into consideration sustainability risks; incorporate the sustainability priorities identified for the procurement system; develop the assessment procedure for the suppliers; implement monitoring of the compliance with the sustainability requirements. The Company expects to finish the project in 2024. In this report Astarta used requirements of the European Sustainability Reporting Standards (the ESRS) to prepare the Sustainability statement.

Governance

The role of the administrative, management and supervisory bodies, Information provided, and sustainability matters addressed by the Company.

The responsibilities of the governing bodies and key executive management on sustainability matters are reflected in the Explanatory guidance note to the Board of Directors, Rules of the Sustainability and Corporate Responsibility Committee and Rules of the ESG Committee which are available on the Company's corporate web-site https://astartaholding.com/en/corporate-documents/.

For composition and diversity of the Board of Directors, Executive Management and the Company's committees including the number of executive and non-executive Directors and their biography, please refer to the Corporate Governance section of this report as well as to the Company's corporate web-site.

The Company has a two-level structure for management of the sustainability matters.

The Board of Directors level (strategic level)
Based on the Explanatory Guidance Note to the Board of Directors approved by the Annual General Meeting of the Company the Board of Directors is responsible for overall environmental and social governance, overseeing the sustainability-related issues including but not limited to the climate strategy, the climate performance objectives and targets, budget associated with the climate-related issues, reviewing the material climate-related risks once per year.

To assist the Board of Directors in fulfilling its responsibility for oversight of relevant sustainability and corporate social the Company established the Sustainability and Corporate Responsibility Committee. Committee consists of three members of the Board of Directors. Based on its Rules the Committee regularly reports to the Board of Directors and meets at least two times a year. In 2023 the Committee conducted three meetings.

The Committee has the following roles and responsibilities:

- oversee and provide input to management on the Company's policies, strategies and programmes related to matters of sustainability, corporate responsibility including climate-strategy, plans of action related to climate strategy;
- consider the climate strategy of the Company, provide corresponding recommendations, and submit the same for the approval of the Board of Directors.
- set the goals and targets and monitor the progress against them on matters related to sustainability and corporate social responsibility including climate issues;
- review of the reports regarding relationships with key external stakeholders on the sustainability and corporate social responsibility matters;
- oversee and provide input to management on the Company's identification, assessment and management of risks associated with sustainability and corporate responsibility issues, including, but not limited to, climate change and food safety;
- review of the sustainability-related results;
- advise and make proposals with respect to budget on sustainability and corporate social responsibility activities.

The Executive Management level (operating level)
To govern the environmental, social, and corporate governance issues including those that relate to climate matters on the operating level, the Company has an Environmental Social and Governance (ESG) Committee. The ESG Committee consists of the key members of the Executive Management including the CFO, heads of upstream and downstream operations and is chaired by the CEO. Based on its Rules the Committee meets at least two times a year. In 2023 the Committee conducted three meetings.

The Rules of the Committee include the following roles and responsibilities:

- review and approval of the ESG strategy, targets, plans, and programmes on environment, social and corporate governance;
- review of the climate risks and opportunities and other ESG risks;
- review and monitor the performance of the ESG strategy, plans, programmes, and targets;
- reporting to the Sustainability and Corporate Responsibility Committee members on key ESG results and issues, including climate matters.

The Director for Sustainable Business Development and Investor Relations (SBDIR Director) leads the sustainability function on behalf of the executive management board. The scope of responsibilities covers sustainability strategy, monitoring of implementation of sustainable practices and targets, overseeing compliance with local and international standards and requirements in the sphere of sustainable development, as well as reporting to stakeholders. According to the Rules of the ESG Committee the SBDIR Director is also responsible for receiving information on key impacts, risks and opportunities from other members of the Executive Management team in accordance with their functional responsibilities. The SBDIR Director prepares the report on key findings and outcomes including climate issues, monitoring of performance status on plans and targets and, after approval by the ESG Committee, brings it to the attention of the Sustainability and Corporate Responsibility Committee. After consideration by the members of the Sustainability and Corporate Responsibility Committee the report is presented to the Board of Directors on at least bi-annual basis.

In 2023 the information collected by the SBDIR Director from the executive management team included among others impact on the environment such as energy and water consumption, waste management, impact in the social sphere such as human capital and local communities. In 2023 the ESG Committee discussed the matters regarding ESG results of the Company, actions to reduce key climate risks and sustainability milestones within the project with an IFI, decarbonisation strategy with measures and targets to reduce GHG emissions, performance of the previously agreed actions, Scope 3 inventories. Key issues that were on the agenda of the Sustainability and Corporate Responsibility Committee and the Board of Directors were review and approval of the decarbonisation strategy and review of the periodic ESG results.

Integration of sustainability-related performance in incentive schemes

The Company has not integrated sustainability-related performance into its incentive schemes yet. At the same time Astarta plans to update its Remuneration Policy covering the Executive Directors of the Company and key members of the management team in Ukraine to take into account performance indicators according to best practices. Dedicated sustainability-related KPIs are expected to be part of the updated Remuneration Policy.

Risk management and internal controls over sustainability reporting

The Company pays a lot of attention to the quality of the sustainability reporting and constantly improves the accounting and control over the non-financial data. To ensure that the information which is disclosed in sustainability reporting is free from material misstatements the Company has an internal accounting system where the data in relation to its employees is collected. To reduce the scope for human error in the sustainability reporting the Company also has the automated accounting system for key non-financial data which was integrated as an add-on to the Company's main accounting system, with clear roles and responsibilities assigned to management and employees. The system covers data on energy and water consumption, waste management, pollution and relates to all activities, products, and services. It allows to clearly differentiate resources consumed for production and administrative needs. The system performs a comparative analysis of resource consumption between business segments. To ensure the quality of the information the system has a control point such as documentary confirmation of the data uploaded to the system.

In 2022 Astarta entered into a tri-party agreement with the EBRD and EY to develop a comprehensive system of climate corporate governance. Under the project the

Company developed a dedicated model for GHG emissions calculation which is based on IPCC methodologies.

The Company has also initiated a project on automated data accounting for material categories of Scope 3 GHG emissions which will contribute to the comprehensive data collection.

Strategy, business model and value chain

Astarta is committed to integrating sustainability into the core of its business strategy. The Company recognises that its operations and value chain have the potential to affect various environmental, social, and governance issues and is committed to managing these impacts responsibly.

According to the ESRS sector classification Astarta's activities are concentrated in two key business sectors: Agriculture & Farming and Food & Beverages. In those sectors Astarta identifies four key business segments: Agriculture and Cattle Farming in Agriculture & Farming sector and Sugar Production and Soybean Processing in Food & Beverages sector.

The Company's production assets are located in Ukraine and 99% of its employees are also based there. For more information on the Company's employees, please refer to the "Own Workforce" section of this report.

In 2023 Astarta's revenues totalled EUR619m. Revenues in Agriculture & Farming (code: AAF) and Food & Beverages (code: MFB) sectors amounted to EUR282m and EUR321m correspondingly. For more information, please refer to the section "Segment Reporting" in the Notes to the Consolidated Financial Statements of this report.

Key elements of our general strategy with sustainability implications are:

- Market Position: Astarta aims to be a leader in row crop production and processing as and in dairy farming industry in Ukraine. By focusing on regenerative farming, renewable energy and energy efficiency the Company offers sustainable food products/ingredients such as grain and oilseeds, sugar, soybean meal and oil, milk in domestic and international markets.
- Growth Strategy: Astarta expects to grow its business through expansion of the product range towards higher value-added ingredients/products and increasing the production of key products by scaling up precision and regenerative farming with focus on soil health and decarbonisation; digitalisation of agricultural production; expansion of organic farming; increasing energy efficiency; increasing alternative energy generation for inhouse consumption and potential sale to the market. For more information, please refer to the "Strategy and Outlook" section of this report.
- Innovation: Astarta is committed to research and development in sustainable technologies to improve environmental footprint and resource efficiency. The Company has proprietary integrated multi-module IT software, called AgriChain which is focused on improving agribusiness management through the implementation of modern digital technologies in agriculture.
- Value Chain Management: The Company is actively working on promotion of sustainable practices in business among its suppliers. In 2023 Astarta has started a project to enhance the procurement process by introducing sustainability criteria for its key suppliers. This would allow to improve overall environmental and social impact in the Company's supply chain.
- Risk Management: in 2022 Astarta identified and assessed materiality of climate risks associated with its operations and the value chain. The Company also identified possible actions to mitigate the risk. For more information, please refer to the "Climate Change" section of this report.

The Astarta's Strategy is based on its vertically integrated and diversified business model (as presented in the "Business Model" section of this report). It acts as a liaison, connecting its activities and resources to value creation for all stakeholders and building a resilient and sustainable ecosystem. This win-win approach fosters long-term success, ensuring the Company thrives while contributing positively to the communities and environment it operates within. For more information on value creation please refer to the "Value Creation" section of this report.

Interests and views of stakeholders

The Company is engaging with stakeholders on a regular basis according to the Stakeholder Engagement Plan (the "SEP"). The document specifies stakeholder's engagement depending on the operational profile of a unit.

The purpose of Astarta's SEP is to provide a framework for consultation and participation strategy which:

- Defines the applicable legal requirements concerning disclosure and consultation.
- Identifies stakeholder groups that could be affected or may have an interest in the Company's services.
- Ensures that such stakeholders are appropriately engaged through a process of information disclosure and meaningful consultation on issues that could potentially affect them.
- Maintains a constructive relationship with stakeholders on an ongoing basis through meaningful engagement.
- Provides a grievance mechanism to allow users and other stakeholders to register complaints, queries or comments that are addressed in a timely manner by the Company.
- Plans for stakeholder engagement which is free of manipulation, interference, coercion or intimidation and is conducted based on timely, relevant, understandable, and accessible information in a culturally appropriate format.

The Company keeps track of stakeholders' attitudes and expectations and continuously improves communication with them. All stakeholders are eligible to register suggestions and complaints addressed to Astarta via a special form defined in the SEP or Trust Line.

The Company defines the following group of stakeholders based on the business model of Astarta: shareholders and investors, employees, creditors, consumers, local communities, suppliers, media, local farmers, authorities, landowners and clients. The Company engages with all stakeholders and considers each of them to be essential for its business.

Methods of engagement with key stakeholder groups

Stakeholder group	Engagement
Shareholders/ Investors	The Company is committed to maintaining an open dialogue with shareholders and investors and have an engagement with them throughout the year. Feedback from the investment community is reported to the Directors regularly. Form of engagement: annual and interim reports, press releases, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.
Employees	Every employee of the Company contributes to its success. Wide ranging channels of internal communication are used to keep an open dialogue with this group of stakeholders. Form of engagement: meetings, thematic seminars, corporate events, corporate publications, questionnaires, collective agreements, corporate ethics code, training sessions, consultations, the Company's Trust Line, social networks, official correspondence. The Company has an online information portal for all employees. Also, social networks and messenger channels are used to regularly inform employees about the Company's events.
Creditors	The Company commits to transparency of its performance to secure stable long-term business relationships with international development financial institutions and local banks. Form of engagement: annual and interim reports, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.
Consumers/Clients	The Company serves a wide range of customers locally and globally and strives to maintain stable relationships with them. Form of engagement: corporate website, questionnaires, presentations, annual and interim reports, consultations, negotiations, interviews, corporate website, social networks, the Company's Trust Line, official correspondence.
Local Communities/ Landowners	Astarta has a remarkable history of community involvement because of open and transparent communication with local communities and landowners. It remains one of the key priorities for its business. Form of engagement: conferences, round tables, social and charitable programmes, publications in media, printed materials (posters, booklets), corporate website, social networks and messenger channels, regular meetings with local communities.
Suppliers	Astarta builds relationships with suppliers to better understand the markets where it is present. The procurement team engages with the suppliers on a regular basis. Form of engagement: corporate website, questionnaires, presentations, annual and periodical reports, consultations, negotiations, interviews, social networks, the Company's Trust Line, official correspondence.
Media	Astarta maintains a regular dialogue with media in several ways from face-to-face interactions to those via social media and is committed to maintain an open dialogue. Form of engagement: annual and periodical reports, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.
Authorities	Astarta interacts with a wide range of authorities at national and regional level as they influence how the Company does business. It is also a member of major associations in the key markets. Form of engagement: consultations and meetings, seminars, official correspondence, joint projects on local infrastructure development, official correspondence.
Local farmers	Astarta promotes cooperation with farmers creating more value-added opportunities for both sides (between a farmer and a processor). The Company established the Centre for Partnership with independent farmers to offer comprehensive cooperation through a "single window" concept. The CFP unites all supply and procurement-related services and products offered to local farmers for their business needs. Astarta's experience, size, scale of production and storage capabilities allow it to make attractive offers to business partners. Form of engagement: conferences, round tables, social and charitable programmes, publications in media, printed materials (posters, booklets), corporate website, regular meetings with local farmers.

Material impacts, risks and opportunities and the process to identify it

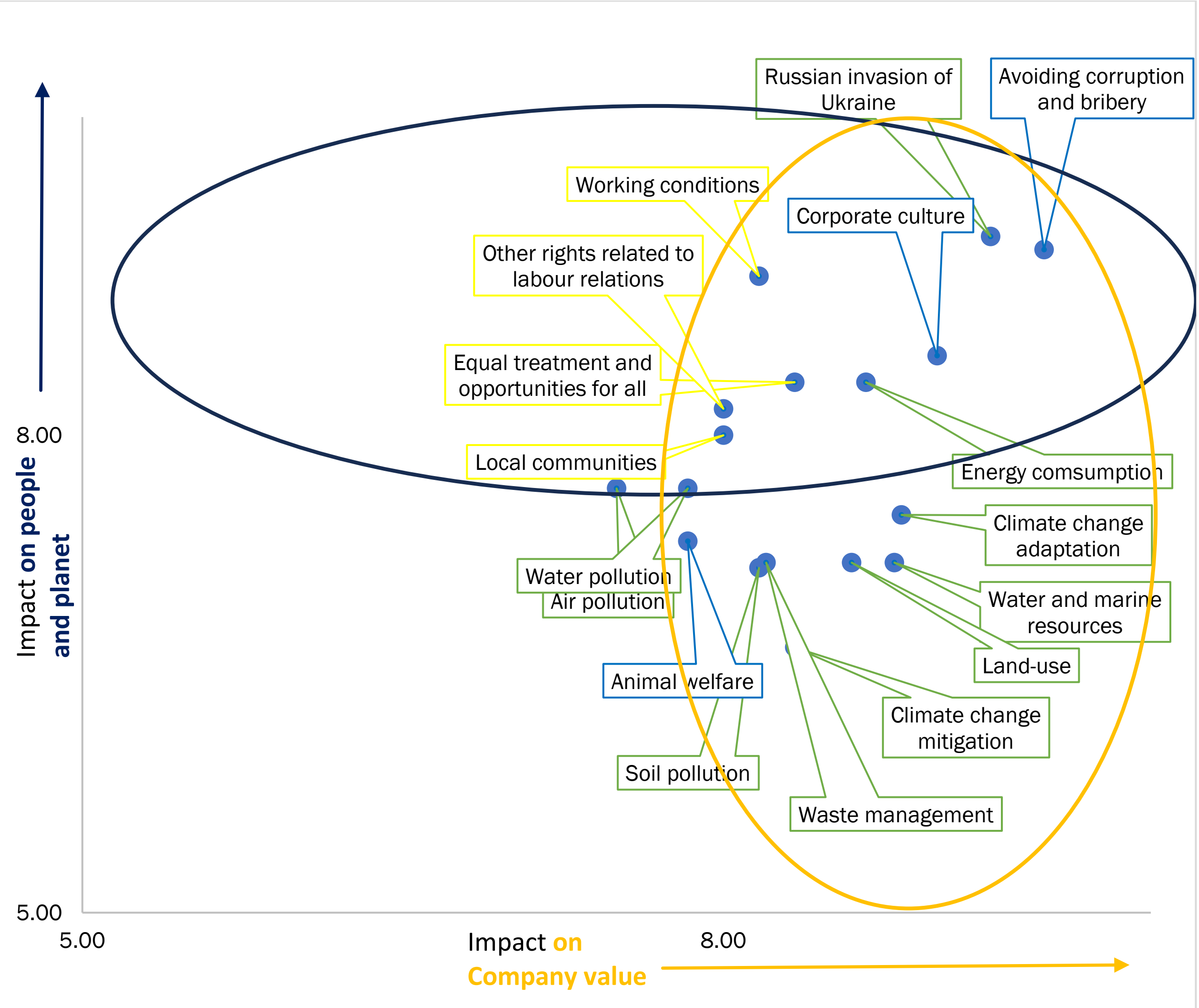
Astarta runs a dedicated Risk Management Policy to identify, assess, control and communicate risks. Within its framework the Company considers interests of all key stakeholders connected to Astarta's business model. The Company has also identified key risks and developed corresponding mitigation actions. For more information, please refer to the "Risk Management" section of this report.

The Company also conducted a comprehensive analysis of climate-related physical and transition risks that may affect its operations. For more information, please refer to the "Climate Change" section of this report.

Identification of material topics.

Throughout the year interviews were conducted by key executives from each business segment with the respective group of stakeholders to compile a list of material topics. Management board conducts ranking of these topics on a scale of 1-10, where 10 is scored as the most important topic, and 0 – topic of minimal importance. Based on ranking, the materiality matrix was prepared, pointing to the aspects that Astarta and its stakeholders consider to be material for its business activity. As a result, topics in the upper-right quartile, namely Avoiding corruption and bribery, russian invasion impact, corporate culture, Working conditions, Other rights related to labour, Equal treatment and opportunities for all, Local communities and Energy consumption were identified as the most material ones. Other topics were identified as less material. Nevertheless, the Company discloses information on these topics in this report considering their importance.

Matrix of material topics



Environmental Information

Climate Change

Policies related to climate change mitigation and adaptation

The Company adopted the Policy on Climate Change, Greenhouse Gases (the GHG) and Energy Efficiency. The Policy sets targets, defines actions and principles in the climate change mitigation and adaptation according to Ukrainian and EU regulations.

In 2023 Astarta continued reporting under the Carbon Disclosure Project (CDP) on its activities aimed at climate change adaptation and mitigation and improved rating to C.

Transition plan for climate change mitigation. Targets related to climate change mitigation and adaptation

In 2023 Astarta finalised its Climate Corporate Governance Action Plan developed in partnership with the EBRD and EY. Under the project Astarta updated its inventory of GHG emissions sources for each business segment, identified and assessed physical and transitional climate risks and analysed known and possible decarbonisation initiatives. Based on the project findings and outcomes the Company developed a decarbonisation strategy which was approved by the Board of Directors and published on the Company's corporate website.

The practical component of the strategy focuses on initiatives in the two business segments (The Agriculture and the Sugar Production) which have the highest potential for emissions reduction. Among them is scaling up regenerative farming practices, improving energy efficiency, and using alternative energy sources. Side benefits also include preservation of soil health and preservation of moisture, reduction of fertiliser use, increasing crop yields, and reduced energy consumption in production. With these measures Astarta expects to reduce total GHG emissions by 44% to 450kt CO_{2eq} in 2030 compared to 2022 baseline which is aligned with the Paris Agreement requirements. In particular, 27% reduction is targeted in Scope 1 from 480kt CO_{2eq}, 47% reduction in Scope 2 from 15kt CO_{2eq} and 70% reduction in biogenic emissions from 311kt CO_{2eq}. For more information on the baseline and GHG emissions reduction targets please refer to the "Gross Scopes 1, 2, 3 and Total GHG emissions" section of this report.

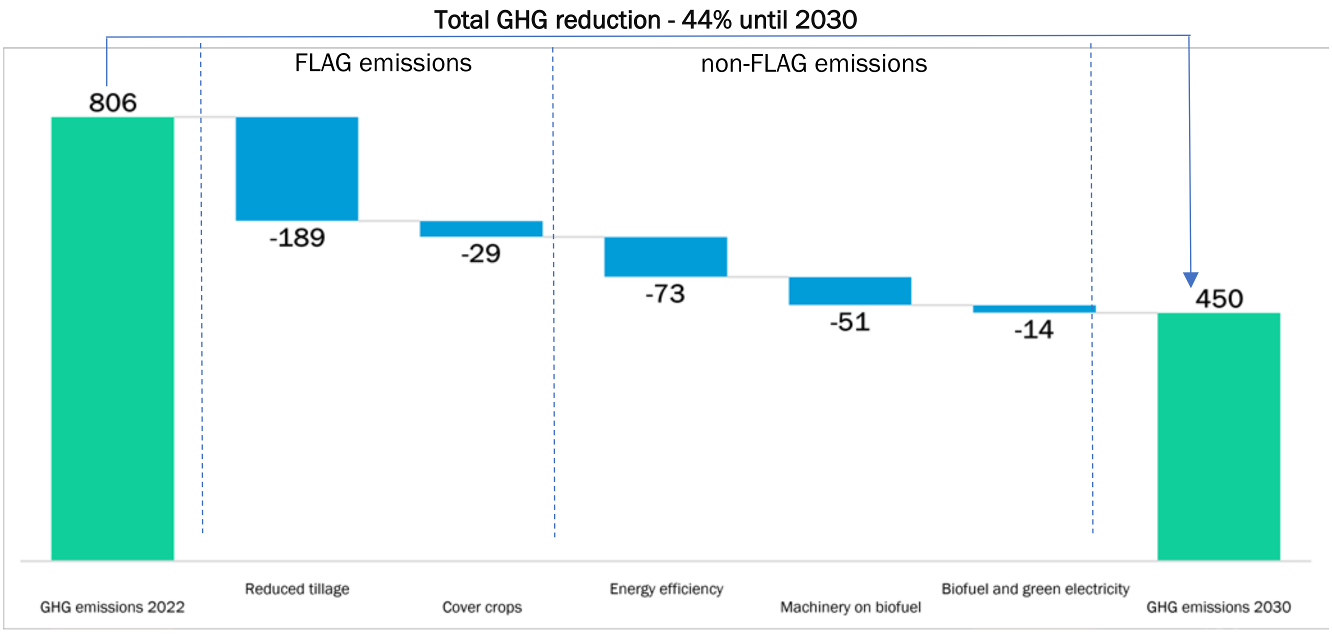
The measures to reduce Scope 1 and Scope 2 emissions include:

- Energy efficiency programmes - 73kt CO_{2eq} of estimated GHG reduction;
- Use of biofuel in agricultural machinery - 51kt CO_{2eq} of estimated GHG reduction;
- Substitution of fossil fuels with renewable ones at processing facilities - 14kt CO_{2eq} of estimated GHG reduction.

The measures to reduce biogenic emissions include:

- Expansion of area under reduced tillage up to 180kha - 189kt of CO_{2eq} of estimated GHG reduction;
- Increase acreage under cover crops up to 25kha - 29kt CO_{2eq} of estimated GHG reduction.

The summary of the Astarta's decarbonisation strategy



Material impacts, risks and opportunities and their interaction with strategy and business model

In 2022 Astarta together with EY conducted a comprehensive analysis of climate-related risks, opportunities and financial impacts based on TCFD recommendations. The climate-related risks were grouped into two groups: physical and transition.

Physical risks and opportunities

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

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

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

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

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

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

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

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

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

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

Material risks

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

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

#	Risk	Description	Category	Score		Financial implication		Possible adaptation measures
				P1	P2	P1	P2	
R3	Increase in severity of acute weather events like drought may result in supply chain disruptions and decline in production volumes	Increase in severity of acute weather events like drought may potentially impact the availability of water and decrease yields of especially water intense crops such as wheat and soybeans resulting in supply chain disruptions and lower annual production volumes	Acute	-2	-8	Yields' decrease can result in supply chain disruptions and annual production volumes impacting revenue		• Diversification of supplier base to spread the risks and reduce their impact • Strengthening of risk management over the supply chain • Promotion of agroforestry practices among framers in the supply chain to increase the moisture absorptive capacity of soil and reduce evapotranspiration, alongside reducing soil temperature for crops planted underneath and decrease runoff velocity and soil erosion from heavy rainfall • Promotion of use of climate smart technologies among framers in the supply chain to increase yields, maximise field productivity, mitigate the influence of weather on crops, detect problems on fields, and support the fertility of the soil • Help with crop selection and promotion of scientific-based crop rotation among the farmers in the supply chain in drought-prone or water-scarce regions • Promotion of precision and regenerative farming practices such as reduced tillage or no-tillage, leaving as much residue on the surface as possible, building soil organic matter with manures or composts etc.

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

#	Risk	Description	Category	Score		Financial implication		Possible adaptation measures
				P1	P2	P1	P2	
R4	Increased severity of acute weather events like drought may lead to decline in harvest volumes	Increased severity of acute weather events like drought may potentially decrease yields and lead to lower annual production volumes	Acute	-2	-8	Yields' decrease can result in lower annual production volumes impacting revenue		• Implementation of agroforestry practices to increase the moisture absorptive capacity of soil and reduce evapotranspiration, alongside reducing soil temperature for crops planted underneath and decrease runoff velocity and soil erosion from heavy rainfall • Geographical diversification to northern regions of Ukraine especially the north-western region may significantly increase the yields of water intensive crops • Higher use of climate smart technologies to increase yields, maximise field productivity, mitigate the influence of weather on crops, detect problems on fields, and support the fertility of the soil • Crop selection in favour of drought resistant in drought prone or water scarce regions • Irrigation and improvement of its efficiency • Wider use of precision and regenerative farming practices such as differentiated fertilisers and seeds applications, reduced tillage or no-tillage, leaving as much residue on the surface as possible, building soil organic matter with manures or composts etc.

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

Other non-material risks.

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

Opportunities

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

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

Physical risks and opportunities summary scoring matrix

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

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

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

Transition risks and opportunities

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

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

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

Key assumptions under chosen scenarios

Scenarios	Key assumptions
Scenarios under 1.5ºC pathway	
IEA Net Zero Emissions by 2050	• significant strengthening of climate and energy policy requirements; • the rapid growth of the share of non-fossil fuel energy sources; • long-term development of wind and solar energy; • considerable growth of biofuel production and direct air capture; • launching and further development of hydrogen production; • substantial growth of electricity consumption and decrease of heat consumption; • almost all heavy-duty trucks sold in 2050 will be partially or fully electric; • carbon price will grow dramatically and in 2050 reach 200 USD per t CO_2; • investment in clean energy will be extremely high since 2030.
NGFS Net Zero 2050	• Global agricultural demand growth on back of increase in world population will lead to agricultural output growth by 94% to 10.9 bt in 2050 compared to 2020; • The volume of CO_2 emissions from the Agriculture, Forestry and Other Land Use (AFOLU) sector is expected to decrease 7-fold to 726mt CO_2 in 2050 compared to 2020; • Gradual increase in the price of agricultural products in the short and long-term; • Long-term interest rates are expected to increase by 2030 and go down from 2030 to 2050; • In Ukraine, carbon tax is expected to grow up to USD79 per t CO_2 by 2025 (from less than USD1 per t currently), by 2030 - up to USD109 per t CO_2 and by 2050 - up to USD455 per t CO_2 • The price for electricity in Ukraine is expected to increase sharply by 180% to 35 real 2010 US Dollars per gigajoule (USD2010/GJ) in 2030 compared to 2020 and gradually go down by 35% to 23 USD2010/GJ in 2050 compared to 2030; • The price for gas and liquid fuel in Ukraine is expected to gradually grow at CAGR of 6% and 4% correspondingly; • Development of fossil Carbon Capture and Storage (CCS) and Bioenergy Carbon Capture and Storage (BECCS) technologies for use after 2025.
PRI IPR 1.5 ° C Required Policy	• A rapid end to deforestation across the entire globe, ideally by 2025 and before 2030. If not, the energy system has to absorb greater reductions, potentially through BECC; • Unabated coal fully decommissioned in most advanced economies including China by 2035; • Phase out new fossil cars in almost all markets by 2040 and transition to 100% clean power globally by 2045; • Strict political containment of emissions and full transition to clean energy sources; • Highly interventionist regulation, approval of cellular agriculture globally; • Development of the alternative meat market and cellular agriculture; • Achieving negative CO_2 emissions from the land use sector in 2043.
Scenarios under >3ºC pathways	
IEA Stated Policies	• Smooth growth of the share of renewable energy sources in the world energy supply with a gradual decline in the use of coal; • Growth of electricity consumption; • Development of biofuel production.
NGFS Current Policies Scenario	• Global agricultural demand growth on back of increasing world population leading to agricultural output growth of 47% by 2050; • Gradual reduction of CO_2 emissions from the AFOLU sector until 2035 (by 29%) compared to 2020 and growth in the subsequent period by 11% in 2050 compared to 2035; • Declining prices for agricultural products; • In Ukraine carbon tax is expected to remain almost unchanged by 2035 with increase by 2050 up to USD2.65 per t CO_2; • The price for electricity in Ukraine is expected to increase sharply by 250% to 23 USD2010/GJ in 2035 compared with 2020 and then gradually go down by 10% to 20 USD2010/GJ in 2050 compared to 2035; • The price for gas and liquid fuel in Ukraine is expected to increase gradually at CAGR of 3% and 2% correspondingly.

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

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

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

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

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

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

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

Key transition risks and opportunities identified and analysed

#	Risk	Description	Time period	Category	Score		Financial implication		Possible adaptation measures
					P1	P2	P1	P2	
R1	Carbon tax	As part of environmental tax in Ukraine the company is charged for emissions from stationary GHG sources. Increasing carbon tax rates will lead to a significant increase in Astarta's costs	Short- and long-term	Policy and legal	-12	-4	Increased costs ≈USD5.2m annually	Below materiality level	Investments in low-carbon technologies
R2	Requirements of the Emissions Trading System and Carbon Border Adjustment Mechanism	Introduction of emissions trading system in Ukraine under which the company will have to receive emission allowances or application of EU import-related requirements for Ukrainian exporters into the EU such as Carbon Border Adjustment Mechanism can lead to higher costs	Short- and medium-term	Policy and legal	-12	-4	Increased costs ≈ USD10.9m annually	Below materiality level	Investments in low-carbon technologies
R3	Loss of some suppliers over their significant carbon footprint	Growing climatic requirements can lead to the need for identifying and cooperating with greener suppliers, i.e. with lower carbon footprint	Short-term	Market	-2	n/a	Products from new suppliers with a smaller carbon footprint could cost more, which would negatively affect production costs. Loss of some raw material suppliers could affect production volumes and productivity, which would have a negative impact on revenue		Close cooperation with existing suppliers on climate-related issues
R4	Increase in energy prices	Strengthening of climate regulation can result in higher energy prices, especially for fossil fuels, leading to increased production costs	Short-term	Market	-12	-8	Increased costs ≈USD209m annually	Increased costs ≈USD52m annually	Investments in bioenergy projects and energy efficiency technologies to reduce energy intensity

#	Risk	Description	Time period	Category	Score		Financial implication		Possible adaptation measures
					P1	P2	P1	P2	
R5	Increase in interest rates	Increased tax rates on GHG emissions and other requirements for business can lead to significant increase product prices. Increase in the demand for capital due to the need to make significant capital investments. All of this will lead to an increase in policy and bank interest rates	Short-term	Market	-6	n/a	Below materiality level	n/a	n/a
R6	Increased stakeholders' concerns or negative stakeholders' feedback	Failure to comply with new national and European standards on climate or delay in providing climate-related information could lead increased stakeholders' concerns or negative stakeholders' feedback	Short- and medium-term	Reputation	-4	-2	Increased concerns of shareholders, landowners, creditors, employees may affect the cost of land leases and capital		Increased focus on compliance with all applicable national and European requirements on climate-related issues
R7	Mandatory shifting of energy use towards lower emission sources	Astarta may be forced to change energy suppliers or ensure own production of clean energy due to regulatory requirements	Medium- and long-term	Policy and legal	-12	-4	Total capital investments ≈USD129m	Total capital investments: ≈USD64m	Timely investments into lower emission energy sources
R8	Mandatory adoption of energy-efficiency solutions	Mandatory adoption of energy-efficiency solutions can require replacement of outdated equipment and implementation of energy efficient measures leading to additional investments and costs	Medium-term	Policy and legal	-6	n/a	Not estimated	n/a	Timely investments into energy-efficiency solutions
R9	Costs to urgent transition to lower emissions technology		Medium- and long-term	Technology	-8	-2			

#	Risk	Description	Time period	Category	Score		Financial implication		Possible adaptation measures
					P1	P2	P1	P2	
R10	Implementation of CCS technologies	The ambitious emission reduction targets include implementation not only emission reduction technologies, but also carbon capture storage technologies leading to additional capital investments	Medium-term	Technology	-4	n/a	Increased costs ≈USD22m annually	n/a	Monitoring of CO_2 capture technologies Study of available technologies for practical implementation
R11	Increased cost of raw materials	Tightening requirements for the selection of suppliers, climate regulation and growing carbon tax can result in higher prices for key inputs and, consequently, to higher production costs	Medium-term	Market	-6	n/a	Increased costs: ≈ USD3.6m annually	n/a	n/a
R12	Switch to electric heavy trucks	New policies can be adopted to support low-emission solutions for transport including electric agricultural machinery. There might be restrictions on use of heavy fossil fuel-run trucks in the future. Vehicle replacement may require additional capital expenditures.	Long-term	Policy and legal	-4	n/a	Increased costs: ≈USD0.7m annually	n/a	n/a
R13	Shifts in consumer preferences to more low carbon products	Increased customers attention to carbon footprint of products, growing awareness of the impact of agriculture on climate change, rising obesity and health issues can change consumer behaviour and preferences.	Short- and long-term	Market	0	-4	Additional investment to reduce carbon footprint can affect cost of production. Decrease in sales of traditional products can lead to lower revenues		Investments into low carbon technologies. Further expansion of regenerative farming practices
R14	Mandates on regulation of water resources management (due to physical climate risks)	New rules and requirements for water use affect the cost of water supply and drainage. Restrictions may also put in force the reduction of water consumption volumes for business. New technologies can also be implemented to reduce water consumption, which may be accompanied by significant capital investment.	Long-term	Policy and legal	n/a	-4		n/a	n/a

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

Opportunities

#	Opportunity	Description	Time period	Category	Score		Financial implication	
					P1	P2	P1	P2
01	The emergence of new low-carbon technologies and solutions	Astarta can benefit from the implementation of new technologies to improve its production process	Short-term	Resilience	6	n/a	n/a	n/a
02	Development of low-carbon/organic production	Low-carbon and organic production can create new markets and customers	Medium-term	Markets	12	4	n/a	n/a
03	Improving production efficiency	Low-carbon technologies can lead not only to reduced emissions but higher efficiency via reducing resources and energy consumption per unit of produced product	Medium-term	Resource Efficiency	4	n/a	Reduced operating costs (e.g., through efficiency gains and cost reductions)	
04	Increasing scale biomass processing (incl. biogas) to reduce energy costs	Scaling up existing and implementation of new carbon neutral projects	Medium-term	Resource Efficiency	12	8	Average savings on the natural gas up to ≈USD27m annually	Average savings on the natural gas up to ≈USD14m annually
05	Participation in the voluntary carbon credit markets	Measures taken to reduce GHG emissions can create possibility to participate in voluntary carbon credit markets and sell carbon credits	Medium- and long-term	Products/ service Markets	4	2	Below materiality level	Below materiality level
06	Strengthening competitiveness in the domestic and global sugar markets	Expected reputational benefits from meeting the new requirements within the sustainability pathway	Long-term	Markets	4	n/a	n/a	n/a

Transition risks and opportunities summary scoring matrix.

Pathway 1		Likelihood		
		Low	Medium	High
Impact	Strongly Positive			O2; O4
	Positive		O3; O5; O6	O1
	Neutral		R13;	O6
	Negative	R3;	R6; R12	R5; R8; R11
	Strongly Negative	R10	R9	R1; R2; R4; R7

Pathway 2		Likelihood		
		Low	Medium	High
Impact	Strongly Positive		O4	
	Positive	O5	O2	
	Neutral			
	Negative	R9; R6	R1; R2; R7; R13; R14	
	Strongly Negative		R4	

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

1.5°C pathway

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

>3ºC pathway

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

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

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

Energy consumption and mix

The nature of Astarta's business implies use of different energy resources. Key energy sources used by the Company are natural gas, coal, biogas produced by the Company's biogas facility, diesel, biomass. Natural gas and biogas are mainly used by the Sugar Production and Soybean Processing segments and liquid fuels are mostly consumed in the Agriculture segment.

Key fuel used by the Sugar Production segment, mainly in boilers, is natural gas. In 2023 energy consumption from natural gas totalled 513,040MWh corresponding to a 65% share in the total energy use in the segment. The Company aims to increase the share of renewable energy sources such as biogas and biomass in production. The total consumption of renewable energy sources amounted to 130,111MWh which corresponds to a 25% share of the total energy consumption in the segment. Modernisation of boilers at one of the sugar plants allowed to reduce coal use by 33% y-o-y to 9,727t. In 2023 the Sugar Production segment consumed 123,339MWh of energy from coal combustion with a 16% share of the total energy consumption in the segment.

Sugar Production is the main consumer of energy among business segments with 785,888MWh or 66% from the total energy consumption in the Company.

In 2023 key sugar productions and soybean processing assets successfully confirmed certification according to the international standard ISO 50001 "Energy management".

The Agriculture is the main consumer of diesel through agricultural machinery in 2023, used 189,564MWh equivalent from the latter corresponding to a 69% share of total segment's energy consumption. Natural gas accounted for 52,937MWh or 19% from the segment's total. Grain dryers at silos are the key consumers of natural gas in the Agriculture segment. As a business segment, the Agriculture accounted for 274,599MWh of energy used, or 23% of the total energy consumption of the Company.

Natural gas and biogas were the main energy sources for the Soybean Processing. In 2023 the segment consumed 45,057MWh equivalent from biogas (55% from the total of the segment) and 23,797MWh from natural gas (29% from the segment's total). Total energy use amounted to 81,841MWh or 7% of the total energy consumption of Astarta.

In Cattle Farming the main energy sources were diesel with 21,582MWh of energy (62% from total consumption by the segment) and purchased electricity with 9,653MWh (29% from the total by the segment). The Cattle Farming used 34,730MWh or 7% of the total energy consumption of Astarta.

Renewable energy sources accounted for 193,384MWh energy equivalent, or 16% of the Company's total energy balance.

To calculate energy consumption Astarta used Ukraine's Greenhouse Gas Inventory 1990-2021, CDP Technical Note: Conversion of fuel data to MWh and internal technical documentation as the main source of specific indicators.

Total energy consumption

Energy consumption and mix	Unit	2023
Total energy consumption	**MWh**	**1 184 261**
Fuel consumption from coal and coal products	MWh	123 339
Fuel consumption from crude oil and petroleum products	MWh	240 037
Fuel consumption from natural gas	MWh	589 775
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	37 725
Total fossil energy consumption	**MWh**	**990 876**
Share of fossil sources in total energy consumption	**%**	**84%**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	193 384
Total renewable and low carbon energy consumption (calculated as the sum of lines 8 to 10)	**MWh**	**193 384**
Share of renewable and low carbon sources in total energy consumption	**%**	**16%**

Energy intensity

Energy intensity based on net revenue, MWh/'000 EUR	2023
Sugar Production	3.9
Agriculture	1.1
Cattle Farming	0.8
Soybean Processing	0.7
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	**1.9**

Gross Scopes 1, 2, 3 and Total GHG emissions

Astarta follows GHG Protocol Standards and IPCC Guidelines for GHG inventory and calculation. The global warming potential used in the calculations is based on the IPCC's Sixth Assessment Report, 2022 (AR6). The detailed list of methodologies used for GHG emissions calculation is represented below in the table:

Scope of emissions	Methodology
Scope 1 and biogenic emissions	• GHG Protocol «A Corporate Accounting and Reporting Standard» • GHG Protocol «Agricultural Guidance. Interpreting the Corporate Accounting and Reporting Standard for the agricultural sector»; • 2006 IPCC Guidelines for National Greenhouse Gas Inventories; • 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; • US EPA (United States Environmental Protection Agency) «Greenhouse Gas Inventory Guidance. Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases»; • Ministry of Environmental Protection and Natural Resources of Ukraine / UNFCCC (United Nations Framework Convention on Climate Change) «Ukraine's Greenhouse Gas Inventory. Annual National Inventory Report for Submission under the United Nations Framework Convention on Climate Change and the Kyoto Protocol»; • Ministry of Environmental Protection and Natural Resources of Ukraine. Methodological recommendations for estimating greenhouse gas emissions by type of activity of installations.
Scope 2	• GHG Protocol. Scope 2 Guidance; • Harmonised IFI Default Grid Factors 2021 v3.2;
Scope 3	• GHG Protocol. Corporate Value Chain (Scope 3) Standard; • Scope 3 Calculation Guidance; • GHG Protocol, Scope 3 Evaluator; • Department for Environment, Food & Rural Affairs of UK, UK and England's carbon footprint to 2019; • United Nations, IFI Default Grid Factors 2021 v3.2; • United States Environmental Protection Agency, GHG Emission Factors Hub; • Ministry of Environmental Protection and Natural Resources of Ukraine / UNFCCC (United Nations Framework Convention on Climate Change) «Ukraine's Greenhouse Gas Inventory. Annual National Inventory Report for Submission under the United Nations Framework Convention on Climate Change and the Kyoto Protocol»; • EPA Center for Corporate Climate Leadership. 2023 GHG Emissions Factors Hub

Scope 1 emissions

In 2023 the Agriculture segment was the biggest emitter of Scope 1 GHG emissions with 282,293t of CO_{2eq}, or a 53% share of total Scope 1. Emissions from land management (emissions from N inputs to soils and atmospheric deposition of N and N leaching/runoff) accounted for 216,279t of CO_{2eq} or 77% from total emissions of the segment. Emissions from mobile sources (agricultural machinery) amounted to 53,601t of CO_{2eq} or 19% from total emissions of the segment.

Direct GHG emissions in the Sugar Production totalled 153,221t of CO_{2eq} with a 29% share of total Scope 1. Emissions from stationary sources (natural gas and coal combustion in boilers) are the most significant ones in the segment with 147,190t of CO_{2eq} or 96% of segment's total.

Scope 1 emissions from the Soybean Processing operations amounted to 5,303 t of CO_{2eq} which is only 1% of Scope 1. Natural gas combustion accounted for a 90% share or 4,796 t of CO_{2eq}.

In the Cattle Farming direct GHG emissions amounted to 83,894t of CO_{2eq} with a 16% share of total Scope 1. Enteric fermentation is the main source of methane in the Company's total emissions inventory responsible for 63,710t of CO_{2eq} or a 76% of total GHG emissions in the segment.

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

Scope 1 emissions totalled 530,540t of CO_{2eq}. accounting for 59% of total GHG emissions' estimate for 2023.

Scope 2 emissions

Scope 2 emissions are considered insignificant with a 2% of the total GHG emissions or 16,398t of CO_{2eq} in 2023. Scope 2 emissions calculation is based on location-based method.

Scope 3 emissions

Scope 3 emissions were 348,162t of CO_{2eq}, or a 39% share of total GHG emissions and includes the following Scope 3 categories.

Emissions from purchased goods and services are the most significant ones in the total Scope 3 emissions with a 31% share or 107,817t of CO_{2eq}.

Purchased capital goods is the second largest category in Scope 3 emissions with 24% of total or 84,962t of CO_{2eq}.

Emissions from upstream transportation and distribution totalled 30,350t of CO_{2eq} or 9% from the total Scope 3 emissions.

Downstream transportation and distribution accounted for 16% of total Scope 3 emissions or 57,037t of CO_{2eq}.

Fuel and energy-related activities were responsible for 16% of total Scope 3 emissions or 56,306t of CO_{2eq}.

In 2023 to assess the materiality of the Scope 3 emissions related to the "Employee commuting" category, the Company performed an electronic survey that covered 1,160 employees. The survey results were extrapolated to all employees and total GHG emissions were estimated at 11,438t of CO_{2eq} (1.5t of CO_{2eq} per employee/year) or 3% of total Scope 3.

Biogenic emissions

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

Biogenic emissions are not included in the total GHG emissions but shown separately. In 2023 biogenic emissions totalled 389,981t of CO_{2eq} (including removals from cover crops) due to change in crop rotation structure and higher yields on a back of only minor increase in nitrogen application. Increased yields cause higher nitrogen removal from the soil and, as a result, higher soil organic carbon loss.

Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

	Retrospective		Milestones and target years
	Base year (2022)	2023	2030
Gross Scope 1 GHG emissions (tCO_{2eq})	480 116	530 540	-27%
Gross location-based Scope 2 GHG emissions (tCO_{2eq})	15 463	16 398	-47%
Total Gross indirect (Scope 3) GHG emissions (tCO_{2eq})		348 162	
Purchased goods and services		107 817	
Purchased capital goods		84 962	
Fuel and energy-related activities		56 306	
Upstream transportation and distribution		30 350	
Downstream transportation and distribution		57 037	
Employee commuting		11 438	
Total GHG emissions (location-based) (tCO_{2eq})		895 100	

GHG emissions by segments, $tCO_{2}eq$

	2023
Total GHG emissions (local-based), tCO_{2eq}	**546 938**
Scope 1 GHG emissions	**530 540**
Sugar production	153 221
Agriculture	282 293
Cattle farming	83 894
Soybean processing	5 303
Scope 2 GHG emissions	**16 398**
Sugar production	2 588
Agriculture	4 110
Cattle farming	4 196
Soybean processing	4 831

GHG Intensity based on net revenue

	2023
Total GHG emissions (location-based) per net revenue (tCO_{2eq}/EUR thousand)	1.5

GHG removals and GHG mitigation projects financed through carbon credits

Astarta expands the scale of regenerative agricultural practices across its farmlands such as cover cropping, diversified crop rotation, crop residue covering, reduced tillage, organic fertilisers application etc. In 2023 Astarta grew cover crops on the area of 9,303ha which removed 14,130t CO_{2eq} or 1.5t CO_{2eq} per ha.

In 2023 the Company did not purchase nor intended to purchase carbon credits from the voluntary market.

Internal carbon pricing

Astarta does not apply internal carbon pricing schemes to support decision making and incentivise the implementation of climate-related policies and targets.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The Company disclosed the information about anticipated financial effects from material physical and transition risks and potential climate-related opportunities in the section “Material impacts, risks and opportunities and their interaction with strategy and business model” of this report

Pollution

Policies related to water and marine resources

Astarta commits to reduce negative impact from production activities by implementing energy efficiency programmes, regenerative farming, GHG emissions reduction measures, monitoring of pollutants and developing preventative measures. Basic principles of the Environmental protection policy:

- To reduce waste;
- To prevent pollutants or harmful substances from entering water bodies;
- To ensure the protection of the sanitary zones around water bodies;
- To perform the monitoring of water bodies;
- To contribute to the reduction of emissions of air pollutants;
- To prevent soil contamination;
- To implement land protection programmes;
- To prevent accidental spills of harmful substances.

Actions and resources related to pollution

To avoid significant pollution of environment Astarta has a monitoring system to control emissions of contaminants. The monitoring is conducted by accredited laboratories on annual basis according to the permits and Ukrainian legislation requirements.

The main air pollutants that monitored by the Company are particulate matter, nitrogen dioxide, ammonia, sulfur dioxide, carbon monoxide, methane, carbon dioxide etc. To reduce GHG and sulfur dioxide emissions Astarta modernised boilers at one of sugar plants switching from coal to biomass pellets in 2023. This allowed to decrease the sulphur dioxide emissions by 29% y-o-y to 115t. The project is fully aligned with the EU Commission Implementing Decision (EU) 2021/2326 establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants - BAT 6e – Fuel choice.

Pollution of air, water and soil

Astarta does not directly measure air pollutant emissions. The Company uses the calculation methods set out in the document "Report on Inventory of Air Pollutant Emissions from Stationary Sources" prepared for each business facility.

Main methodologies used:

- IGD 34.02.305-2002 Emissions of pollutants into the atmosphere from power plants. Method of determination. 2002.
- Collection of methods for calculating the content of pollutants in emissions from non-organised sources of air pollution.
- Collection of indicators of emissions (specific emissions) of pollutants into the atmosphere by various industries (volumes 1-3).
- Methodology for calculating emissions of harmful substances from quarries considering the non-stationarity of their technological processes. Kryvyi Rih, NIIBTG, 1989.
- OND-86. Methodology for calculating concentrations of harmful substances in the atmospheric air arising from emissions of enterprises.
- RD 52.04.52-85. Guidelines. Regulation of emissions under adverse meteorological conditions.
- Collection of Methods for Calculating Air Pollutant Emissions by Various Industries.

Ukrainian legislation allows the use of other methodologies.

In 2023 Astarta implemented automated system of environmental management that includes a monitoring module for all types of emissions data, sources, dates of sample intakes, volume of contaminants etc. for each facility.

The total volume of material air pollutants under Annex II of the Regulation (EC) No 166/2006 was 152,388t.

Air pollutants, 2023, t

Total	**152 388**
Sugar Production	**149 842**
Particulate matter (PM_{10}, $PM_{2.5}$)	199
Nitrogen dioxide [$NO+NO_2$]	190
Ammonia	75
Sulphur dioxide	151
Carbon oxide	1 467
Methane*	160
Carbon dioxide*	147 600
Agriculture	**102**
Particulate matter (including particulate matter of more than 2.5 microns and less than 10 microns, particulate matter of 2.5 microns and less, soot, other particulate matter)	102
Cattle Farming	**2 444**
Methane*	2 444

* - emissions were calculated under IPCC Methodologies

Pollution of water

Astarta performs monitoring of quality of water discharged according to permits from State Agency of Water Resources. The Company monitors major parameters in discharges such as suspended solids, sulphates, chemical oxygen demand, biological oxygen demand, chlorides total, phosphates, ammonium nitrogen, nitrates, saponins etc. Based on the analysis conducted by accredited laboratories Astarta does not exceed the thresholds of pollutants under Annex II of the Regulation (EC) No 166/2006.

In 2024 the Company plans to perform an analysis on compliance with the requirements of Ukrainian legislation in comparison with the EU requirements on water quality and assess its materiality.

Pollution of soil

The Company monitors quality of soil within sanitary protection zones around production facilities according to internal environmental regulations. The sampling is taken in areas which are located near open storage lagoons for sugar beet pulp, manure storage systems, warehouses for fuel and plant protection products. The soil samples are analysed for the concentrations of ammonia, oils, pH, lead and its compounds, nitrates, phosphates, chlorides total, zinc etc. Due to the difference in approach and methods of soil sampling between the EU and Ukrainian requirements, Astarta is unable to assess compliance of thresholds under Annex II of the Regulation (EC) No 166/2006 now. The Company plans to perform materiality assessment of the sub-topic “Pollution of soil” in 2024.

Substances of concern and substances of very high concern

Astarta has a management system for hazardous substances in place. The internal standard requires to use only those substances which are approved by the Ukrainian legislation and international standards. The Company drew a list of substances that contains the following information: volumes, class of hazard, storage and safety requirements. Astarta did not perform compliance assessment for used substances under the ECHA/NR/21/20 Candidate list of substances of very high concern. The Company plans to conduct this assessment in 2024.

Water and Marine Resources

Astarta's business operations are located in the Central and Western parts of Ukraine with relatively high levels of precipitation and availability of water resources. According to the Aqueduct Water Risk Atlas the Company withdraws water in high, medium-high, and low-medium areas of water risk. Therefore, responsible consumption of water is among key priorities for the Company.

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

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

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

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

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

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

The Company initiated development of automated system for data collection for water and discharges.

In 2024 Astarta plans to adopt the Water Resources Policy. Also, the Company intends to develop the methodology for water consumption calculation under ESRS E3 "Water and marine resources".

Policies related to water and marine resources

In the Environmental policy Astarta commits to fully comply with Ukrainian legislation in water resources management, adhere to rational use of water resources and prevent pollution of water bodies, perform monitoring of water sources and discharges from own operations.

Biodiversity and Ecosystems

Since the full scale russian invasion the Ukrainian natural environment suffered significant damage caused by the military hostilities. As of the end of 2023 according to the Ministry of Ecology the total damage to the environment is estimated at UAH2.2 trillion (EUR53 billion). It includes the following damage to the environment, among others:

- Loss of biodiversity: the military hostilities caused a severe decline in wildlife populations and habitat destruction, with species facing extinction risks. Intricate ecosystems are disrupted by wide-scale forest destruction;
- Water contamination: polluted waterways due to military actions and infrastructure damage threaten aquatic life and pose risks to human health;
- Air pollution: emissions from explosions, burning forests, and military vehicles significantly deteriorate air quality, leading to respiratory issues and overall health deterioration;
- Soil erosion: increased erosion due to deforestation and the destruction of protective vegetation accelerates land degradation, reducing agricultural productivity and threatening food security;
- Climate change: the conflict exacerbates climate change concerns by releasing greenhouse gases, disrupting carbon sequestration through deforestation.

Farmland under management of Astarta was not heavily affected except for c.4kha in the Chernihiv region which were under temporary occupation until the beginning of April 2022. The latter were cleared from mines, unexploded shells, and sizeable metal fragments. Considering that the land was not significantly affected and did not require reclamation Astarta returned it to farming operations. At the same time, nearby forests are still not cleared of mines, unexploded shells, metal fragments and chemicals. Astarta's approach to land use and biodiversity is based on internal policies and standards developed according to national and international requirements.

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

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

- assesses the potential effects, cumulative, direct and indirect impacts of any green or brownfield project on biodiversity;
- use the components of biological diversity in such a way and at a speed that does not lead to its long-term reduction

- abide by the principle of avoiding the impact on biodiversity and minimisation of potential impact;
- keep the Company's operating activities out of protected areas, such as nature reserves;
- introduce modern regenerative farming practices;
- use species that are naturally adapted to local and regional ecosystem for higher resistance to pests and diseases;
- implement best practices for sustainable management of living organisms.

In 2024 Astarta plans to undertake a comprehensive study on biodiversity in accordance with requirements of Corporate Sustainability Reporting Directive. Within the study Astarta expects to identify and assess actual and potential negative impacts, risks and opportunities in the regions of the Company's operations. The study will also include corresponding setting targets and metrics. Based on the outcomes the Company will develop an action plan to prevent, mitigate and account the actual and potential negative impacts on the biodiversity.

Astarta will perform a double materiality assessment of nature-related impacts and dependencies to assess the impact of nature/biodiversity challenges the Company ("outside-in") as well as the impact of the Company on society and the environment ("inside-out"). Based on the materiality assessment, Astarta will prepare a longlist of risk mitigation and opportunity measures compatible with the operations that can contribute to mitigating priority nature-related risks or capitalising on new nature-related opportunities.

Resource Use and Circular Economy

Resource outflows

The sustainability principles of Astarta business are to minimise the impact of activities on the environment using renewable energy sources, implementation the energy efficiency measures, reduction of natural resources consumption and waste, using modern and sustainable technologies and approaches.

As a big agro-industrial holding Astarta generates hazardous (according to the national legislation waste of 1st, 2nd, 3rd classes of hazard) and non-hazardous waste (4th class of hazard) in the process of its daily operating activities. The separate waste collection and temporary storage comply with domestic legislation and internal standards. Before disposing of hazardous and non-hazardous waste, it is temporary stored in special yards with marked boxes for waste sorting. To dispose of the hazardous and non-hazardous waste, Astarta cooperates with companies that are reputable and licensed by relevant authorities to handle such waste. Within waste recovery operations these companies typically obtain valuable components or incinerate waste for energy generation.

The share of hazardous waste is negligible and mainly comes from fluorescent lamps, battery packs, used oils, used packaging of pesticides, fertilisers, other chemical materials etc.

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

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

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

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

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

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

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

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

In 2024 Astarta plans to perform a comprehensive comparative analysis of EU and Ukrainian legislation on waste management to become aligned with the ESRS E5 "Resource use and circular economy". All waste will be categorised on hazardous and non-hazardous basis and by type of operation (disposal, recycled, reused etc.).

Social Information

Own Workforce

Employees are the most vulnerable and valuable capital for Astarta since employees bring unique skills, knowledge, and creativity to the table. They are the driving force behind innovation, problem-solving, production process and customer satisfaction. Their dedication and commitment fuel the Company's success, and their diverse perspectives foster adaptable and resilient teams. Moreover, employees build relationships with customers and partners, shaping the Astarta's reputation. Investing in their well-being, growth, and satisfaction is not just a cost, but a strategic investment in the Company's most valuable asset - its people.

Policies related to own workforce

The Company's HR management principles are based on a set of internal policies, including the HR Policy, Social Policy, Human Rights Policy, policies related to remuneration, Occupational Health and Safety Policy which were approved solely in compliance with the requirements of the current legislation of Ukraine. In general, information about current and updated policies is disseminated to employees through electronic mailings, posting relevant information on the corporate portal, and publication on an internal network resource - Corporate Knowledge Base. Also, all new employees are required to sign confirmation that they have read the Collective Bargaining Agreement, Social Policy, and Code of Business Ethics.

The Company builds labour relations on the principles of responsibility and fairness. The Company provides employees with safe working conditions and ensures that all employees work at their own will. The Company does not discriminate against its employees on the basis of gender, skin colour, religion, sexual orientation or disability. So far, the Company doesn't have separate policy aimed at prevention of discrimination and plans to draft and adopt it in 2025. The Policy will include specific procedures aimed at preventing discrimination, mitigating its impacts and taking action when it occurs, as well as principles for promoting diversity and inclusion.

The Company opposes, condemns, and does not tolerate harassment, oppression, discrimination, intolerance, coercion, humiliation, mobbing, bullying, violence of any type. Astarta excludes any form of forced or child labour. All employees are employed or transferred to other jobs at their consent, on the basis of their own applications and in compliance with the requirements of the current labour legislation of Ukraine. The Company has no employees under the age of 18.

The Company respects and adhere to human rights. The Company ensures identification and prevention any human rights violations in its operations in a timely manner by implementing corresponding actions and procedures. Such approach is regulated and guaranteed by the in-house policies which are based on the Ukrainian legislation. The legislation and the Constitution of Ukraine recognises that life and health, honour and dignity, inviolability and security of the human being are the highest social value. The main duty of the state is to affirm and ensure human rights and freedoms. Thus, in case of human rights violations, employees have a right to appeal to the court to protect their rights and receive compensation in case of violation.

The Company is committed to adhering and respecting human rights and freedoms proclaimed at the national and international levels and condemns any violation. In 2008, Astarta was one of the first companies in Ukraine to join the UN Global Compact and sign up to the UN Guiding Principles on human rights, decent work and economic growth, gender equality, and the reduction of inequality. All these norms are enshrined in the Code of Business Ethics, Human Rights Policy, and HR Policy.

The Company use a fair and transparent remuneration system and maintains a decent and competitive level of remuneration. The Company conducts an unbiased assessment of employees' performance, makes decisions on promotion, bonuses and development of employees based on the results achieved. It also ensures that employees have the knowledge and skills necessary to achieve current and strategic goals and promotes continuous improvement.

The responsibility for equal treatment and opportunities in employment at the top level in the Company is assigned to the Director for HR, Corporate Partnership and Communications.

There is also a whistleblowing mechanism which allow anyone to make a complaint on any case of harassment and discrimination through a Trust Line. The Company guarantees confidentiality of all complaints and investigation of each reported case. This condition is enshrined in the Rules on the Trust Line. Information about the Trust Line is publicly available for all employees.

Processes for engaging with own workforce and workers' representatives about impacts

Processes for engaging with own workforce is based on HR Policy, Social Policy, Human Rights Policy. The Company is in constant direct communication with its employees, which is exercised through Communication channels: newsletters, bulletin boards, a corporate portal, social media, an employee chatbot, telegram and Viber channels. Every year, the Company holds strategy sessions for top management to discuss performance results and plans for the next several years, involving a wide range of middle management. Strategy meetings are also held at regional level to discuss the plans and performance of the production units. This allows to involve a wide circle of employees into decision making process.

In addition, the Company has a dedicated mechanism for reviewing proposals from employees - the Ideas Factory. The Ideas Factory is an ongoing system for collecting, reviewing, implementing ideas to improve Astarta's operations and is also a practical tool for involving employees in the process of implementing changes. It is regulated by an internal Procedure called the System for Ideas Management Aimed at Efficiency Improvement. The ideas can be initiated by any employee.

The Company also uses an online survey and evaluation tool for certain projects, such as employee health and job satisfaction. For example, in 2023, the HR function was evaluated through an anonymous survey form. Every employee of the Company has access to a special whistleblowing mechanism - Trust Line which allows to apply to the Company on any matter. Please refer to the section "Processes to remediate negative impacts and channels for own workforce to raise concerns" below for more information on the Trust Line.

Processes to remediate negative impacts and channels for own workforce to raise concerns

In accordance with internal regulatory documents, employees can submit their appeals and concerns through various channels, including contacting the Trust Line (telephone, e-mail, and a dedicated web platform), the Incident Management Platform, and the security managers of regional subsidiaries.

The Trust Line is a software product maintained by a special independent third-party LLC "Ethicontrol" which guarantees complete anonymity and fairness in relation to concerns registration. The applicant has the right to track the verification process through personal account and communicate with the team conducting the verification via a dedicated portal https://astarta.ethics.help/web/uk.

Astarta also guarantees anonymity and confidentiality of all reported concerns received through the Trust Line. According to the Rules of the Trust Line, all appeals are received by the Trust Line Operator, which registers them in the system and guarantees efficiency of this communication channel.

After registering an appeal, the Trust Line Operator sends it to the administrator, who conducts an initial analysis and, depending on the type of information, selects the authorised employee(s) for further consideration and verification of the facts contained in the appeal.

The authorised employee informs the applicant of the results of the review no later than within thirty (30) calendar days from the date of registration of the appeal. In the event of an internal audit or internal investigation, the deadline for informing the applicant on the results of the review shall be extended for the duration of such audit or investigation.

Astarta also became a member of the Ukrainian Network of Integrity and Compliance (UNIC). The purpose of joining the UNIC community is to promote business integrity in order to improve the business environment in Ukraine.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Company builds its relations with its workforce on the principles of social dialogue, mutual respect and equality, compliance with obligations and agreements, mutual responsibility. All conflicts and disagreements are resolved through direct and open negotiations in accordance with the current legislation of Ukraine. This provision is enshrined in the Collective Bargaining Agreements of the Company.

The Company regulates labour and social and economic relations in accordance with the Constitution of Ukraine. Any direct or indirect restriction of rights or introduction of direct or indirect advantages when concluding, amending or terminating an employment contract based on origin, social status, race, nationality, gender, language, political views, religious beliefs, membership in a trade union or other associations, place of residence is not allowed. The Company complies with the working time standards established by Ukrainian law. The main type of working hours is a five-day working week. The standard working hours are no more than 40 hours per week.

In order to strengthen social protection of employees, the Company adopted a dedicated Social Policy which regulates benefits for the employees. To create comfortable working conditions and stimulus, the Company provides the following benefits:

- Financial incentives. One-time financial assistance, Reimbursable financial assistance (loans);
- Medical insurance and services. Preventative medical examination, voluntary medical insurance or wellness programmes;
- Working and living conditions. Assistance in improving housing conditions for the key employees, professional development and training; transportation services including personal cars for key employees;
- Other. Additional paid leave on wide range of occasions.

The Company is committed to ensuring safe working conditions at the workplace, safety of technological processes, machinery, equipment, and other means of production as well as availability of protective equipment, and compliance of sanitary conditions with labour protection regulations. All these requirements are set out in the collective agreement.

The Company maintains communication with its employees. Employees are notified in advance of planned changes in essential working conditions within period set by the legislation – two months. The same period is applied in case of the planned dismissals. Upon concluding an employment contract, all employees are required to know the working and remuneration conditions, their rights and responsibilities, possible hazardous and harmful elements in the workplace and impact on health, as well as the right to benefits and compensation for working in such conditions in accordance with the law and the collective agreement.

Dismissal of employees is carried out exclusively according to legislation. In case of dismissal of employees due to changes in essential working conditions, including liquidation, reorganisation or re-profiling of the Company, reduction of personnel, they are offered other available jobs within the Company.

If an employee refuses to be transferred to another job at the Company, employees should seek assistance from the state employment service or find another job.

Collective bargaining agreement is used to regulate labour relations and interests of employees and employers and is based on the legislation, parties' commitments, interests of employees and employers. It also guarantees the freedom of organisations, trade unions and public interest organisations.

Primary trade unions representing employees are established at the Company's subsidiary levels. The employer recognises all trade unions operating as a party to collective bargaining.

In 2023 there were no negative impact on own workforce registered by the Company. There were also no lawsuits against the Company for violation of employees' labour rights and labour legislation.

The HR, Corporate Partnerships and Communications Department is responsible for organising HR activities and monitoring compliance with labour legislation in the Company.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Astarta set targets in the sphere of occupational health and safety for 2023, namely:

- no fatalities related to production processes;
- Lost Time Incident Rate below 0.35;
- 10% reduction in road accidents compared to the previous year.

The Company involves Executive Management Team, heads of subsidiaries and business units to set the targets during the annual review and planning meetings. Discussions are also held on an individual basis to set objectives for the year.

At weekly and monthly meetings, implementation status is discussed with corresponding employees of the subsidiaries and is included into a dedicated report.

The Company's process to set the targets and implementation status control is based on ISO 9001, ISO 14001, ISO 45001, ISO 22000 and internal Integrated Corporate Management System standards.

Characteristics of employees

Astarta conducts its business nationwide, and hires people in different regions of Ukraine and 99% of its employees are located in Ukraine.

As of the end of 2023 the total number of employees was 7,233. The share of male employees was 67% or 4,810 and female employees - 33% or 2,423. The gender gap is present due to the nature of agricultural operations.

Number of employees and gender distribution

	2023
Male	4 810
Female	2 423
Other	-
Not reported	-
Total employees	**7 233**

The average number of employees in 2023 was 6,580. The share of permanent employees was 69% or 4,532, the share of full-time employees was 72% or 4714.

Information on employees by contract type, broken down by gender

MALE	FEMALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees (average head count)				
4510	2071	-	-	6580
Number of permanent employees (average head count)				
2914	1618	-	-	4532
Number of temporary employees (average head count)				
1595	453	-	-	2049
Number of non-guaranteed hours employees (average head count)				
-	-	-	-	-
Number of full-time employees (average head count)				
3439	1276	-	-	4714
Number of part-time employees (average head count)				
1071	795	-	-	1866

There were 1,544 employees that left the Company in 2023 implying for 23% turnover ratio. The ration is calculated according to the manual for employees' statistics of the State Statistics Service of Ukraine №286 dated September 28, 2005. Such turnover ratio results mainly from movement in temporary employees during the year which reflects the seasonal nature of the business of the Company. All Company's employees are hired through employment contracts.

Collective bargaining coverage and social dialogue

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

In 2023 99.5% of Astarta's employees were part of the collective agreement.

Information on collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%		99.5%	

Diversity metrics

The Company defines the top management as one level below the Board of Directors of ASTARTA HOLDINC PLC - the Executive Management Team at the main subsidiary level - LLC firm Astarta Kyiv.

As of the end of 2023, there were 11 members of the Executive Management Team, seven of which are male and four - female. As of the end of the reporting period the percentage of employees at top management level was 0.2%.

As of the end of the reporting period, the distribution of employees by age group was the following:

- under 30 years old – 889 or 12% of the total number of employees
- 30-50 years old – 3,886 or 54% of the total number of employees
- over 50 years old – 2,458 or 34% of the total number of employees

Adequate wages

The Company complies with the minimum remuneration guarantees established by the legislation of Ukraine.

Social protection

All employees of the Company are covered by state social insurance against loss of income due to any of the following major life-changing events:

- sickness;
- unemployment;
- injury and acquired disability during work;
- parental leave;
- retirement.

Persons with disabilities

The Company complies with the requirement by the Ukrainian legislation to employ people with disabilities for at least 4% of its workforce, set. As of 31 December 2023, the share of employees with disabilities was 6.2% of the total number of employees. or 446. Of these, 66% were male (297 employees) and 34% - female (149 employees).

Employees provide information and relevant documents about their disability on a voluntary basis, at the time of employment. Subsequently, all information is entered into the internal accounting system for personnel records and payroll.

Training and skills development metrics

In 2023, 12,522 participants attended various types of training modules (one employee can attend several training modules), including:

- 7,601 men;

- 4,921 women.

In 2023 the number of unique employee training attendants was 3,178 or 48% from the total average number of employees in 2023.

Average number of training hours by gender and on average by employee in 2023

	Male	Female
Average number of training hours by gender	8.4	5.4
Average number of training hours on average by employee	7.3	

Information on employees that participated in regular performance and career development reviews (KPI) by employee category in 2023

managers	493
%	*58%*
specialists	357
%	*42%*
total	850
% from average number of employees	*13%*

Proportion of performance and career development reviews per employee by gender in 2023

	Male	Female
Proportion of performance reviews per employee	10%	19%

Health and safety metrics

Astarta pays a lot of attention to occupation health and safety and considers this area as a top priority. Prevention of injuries, professional ailments, road accidents, emergency situations, and fatalities are all prioritised areas. The Company identifies risks related to the occupational health and safety performing an analysis of the technological processes, parameters, and technical characteristics of the equipment (substances) used. The Company controls parameters of working conditions to prevent near misses, first aid and lost time incidents, professional diseases.

100% of employees of the Company are covered by the health and safety management system based on legal requirements.

In 2023 there were no fatalities arising from work-related injuries or work-related ill health among Company's employees and other workers working on the sites. There were ten work-related accidents registered and there were no cases registered for work-related ill health of employees and non-employees. Number of days lost to work-related injuries of employees was 307.

The Company's processing assets are certified according to ISO 45001 and comply with the requirements for internal audits in accordance with ISO standards. In addition, the Company conducts internal audits of the occupational health and safety management system in accordance with the requirements of Ukrainian legislation. The Company developed and implemented corporate standards and instructions that contain requirements for the processes of the ISO 45001 occupational health and safety management system and internal audits. The Company conducts internal audits and inspections in accordance with the approved programme. In case of identified non-conformities responsible employees analyse and develop corrective actions. The status of implementation of actions is monitored and recorded.

Work-life balance

Astarta respects the right of the employees to family-related leave which is secured in domestic legislation and internal policies of the Company. All employees of the Company have right to family-related leave, including:

- additional leave for employees who have children or looking after an adult with a disability from childhood of subgroup A of group I;
- parental leave until the child reaches the age of three years or six years in the case a child with special needs;
- leave related to the adoption of a child;
- childbirth leave.

In 2023 6.3% of average number of employees (412 employees) exercised their right to family-related leave, out of which 1.3% (84 employees) were male and 5% (328 female) were female.

Remuneration metrics

In 2023 the gender pay gap which is defined as the difference of average pay levels between female and male employees of Astrata, expressed as percentage of the average pay level of male employees of the Company was 9%.

In 2023 the annual total remuneration ratio of the highest paid employee in the Company to the median annual total remuneration for all employees of Astarta (excluding the highest-paid individual) was 278.

Affected Communities

Policies related to affected communities

The Company recognises its impact on the communities in which it operates. The Company seeks to engage with all stakeholder groups in these communities to have their views on how the Company conducts its business.

The Company engages in a dialogue with stakeholders on issues related to human rights. The Company promotes involvement of local communities in partnership. For this purpose, Astarta developed a dedicated engagement plan to maximise involvement and create productive partnerships with communities.

The Company is guided by its Human Rights Policy, which is based on international practices set out in the Universal Declaration of Human Rights and the UN Global Compact. The Policy is publicly available and disseminated to all employees at each operating business facility through information stands and communication by Human Resources, Corporate Partnerships and Communications Department. Responsibility for implementing the Policy is assigned to the Company's top management, with the CEO is responsible for monitoring its implementation.

The Company has also developed Code of Corporate Ethics which defines the basic principles of the culture: openness, tolerance and respect. Also, Astarta developed corporate social responsibility strategy which is expected to be updated in 2024-2025.

The Company respects human rights and does not discriminate on political, religious, ethnic, gender or other grounds.

In accordance with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, the Company conducts annual monitoring of the Human Rights Policy, assesses possible risks, collects expectations of the personnel regarding human rights, develops actions, standards, regulations, sets targets and submits it for approval to the management.

Processes for engaging with affected communities about impacts

Astarta has initiated creation of the Advisory Councils in the local communities where it operates which include representatives of local authorities, public activists, local experts and opinion leaders, Company representatives, and representatives of vulnerable groups. The Advisory Councils are in charge to discuss issues of interaction between the Company and local communities, approve annual corporate social partnership programmes and joint projects for the social and economic development of the territories. The Advisory Boards also monitor and evaluate joint projects. If necessary, they can also adjust the decisions that have been discussed.

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

The Company also signs Memorandum of Cooperation with communities to foster engagement with communities.

To ensure effective interaction with communities, each of the Company's subsidiaries has implemented a standalone Stakeholder Engagement Plan, which specifies the frequency, format and channels of communication as well as responsible employees for interaction with local communities. At the top management level, responsibility for community engagement is assigned to the Director for Human Resources, Corporate Partnerships and Communications Department. Director is also responsible for collecting information on community engagement and submitting it to the top management. As a result, the Company regularly receives up-to-date information on topics of interest to communities. At weekly meetings of the Company's Executive Management Team reviews and analyses the information received, and if necessary, takes appropriate decisions to adjust actions.

In the regions where Astarta operates, the responsibility for community engagement is assigned to the directors of subsidiaries.

Forms of community engagement include conferences, roundtables, social and charitable programmes, media and corporate publications, printed materials (posters, booklets), feedback via the corporate website of the Company, the Trust Line, community meetings, meetings of Advisory Boards.

Processes to remediate negative impacts and channels for affected communities to raise concerns

The Company established a Trust Line which is one of the channels for communication with communities. Using Trust Line community's representatives can raise issues of their concern (please refer to section "Governance").

In case of identified negative impact on the community the Company conducts analyses of provided information and discuss it at the top-level weekly meetings of the Executive Management Team. Possible ways to remediate negative impacts can be adopted at these meetings or at the meeting of the ESG committee (for more information on ESG committee please refer to the "Role of the administrative, management and supervisory bodies, information provided and sustainability matters addressed by the Company" section of this report).

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

To ensure that the way the Company conducts its business does not cause or contribute to material negative impacts on the communities, Astarta assesses potential environmental and socio-economic impact of each new development project/extension or reconstruction of existing facilities on local communities which is required by national legislation and at request of international development institutions.

In 2023 there were no severe human rights issues and incidents recorded within the Company's upstream or downstream value chain.

Since its foundation, Astarta has been following international standards and norms of corporate social responsibility and sustainable development. Creating positive changes in society is also a key priority for the Company's business as its growth is interconnected with the development of the related communities considering possible impacts. Thus, the Company identifies priority areas for local development and initiates dedicated projects and programmes to take actions in relation to those impacts.

Key development programmes and projects in 2023:

Common Help Ukraine

Common Help Ukraine
humanitarian project

In March 2022, Astarta and Charitable Foundation "Believe in Yourself" co-founded a humanitarian project called Common Help Ukraine aiming at helping Ukrainians who suffered from the military aggression. The project involved more than 35 Ukrainian and foreign donor partners. As a result, by the end of 2023 about 30kt of humanitarian supplies (food, medicine, personal hygiene products, clothing) were delivered, the total estimated monetary value of charitable contributions and humanitarian aid of partners totalled USD32m, over 831k internally displaced people and 500 social and medical institutions received humanitarian aid. In 2023 direct charitable and social contribution of the Company totalled EUR4.7m.

Among the humanitarian aid the project also focuses on development of regional entrepreneurship and establishment of Resilience centres in local communities:

↑ Nezalezhníst'

1. **Course to Independence** - educational and grant programme for development of small and medium local business.

   In 2022 Astarta under the financial support of German Development Bank DEG (KFW Group), Ministry for Economic Cooperation and Development and in partnership with Charitable Foundation "Believe in Yourself".

   Participants:

- local communities' entrepreneurs in seven regions;
- 725 applications were submitted by entrepreneurs from the communities of the Poltava, Khmelnytsky, Ternopil, Zhytomyr, Vinnytsia, Chernihiv and Kharkiv regions of Ukraine.

   Results:

- 160 Ukrainian entrepreneurs received grants for business development;
- entrepreneurs cover 10% of the production output required for humanitarian needs of their local communities;
- 277 new jobs created;
- social return on investment: EUR1: EUR4.7.

Сміливі:

2. **The Braves** – educational and grant programme for start and development of micro and small local business.

   In 2022 Astarta with the support of Raiffeisen Bank (Ukraine) and in partnership with Charitable Foundation "Believe in Yourself", started a programme to support development of local small-scale business. The programme continues in 2024.

   Participants:

- local communities' entrepreneurs in seven regions;
- preference is given to participants belonging to such categories as war veterans, members of their families (spouses, children, parents), family members of deceased combatants.
- 505 applications were submitted by entrepreneurs from the communities of the Poltava, Khmelnytsky, Ternopil, Zhytomyr, Vinnytsia, Chernihiv and Kharkiv regions of Ukraine.

   Results: 70 received grants to develop their businesses. The second stage of the competition is underway.

КРИЛА

3. **Wings** – educational and grant programme for promoting women entrepreneurship in local communities.

The project started in 2020 with joint efforts from the Government of Canada, Pact Ukraine, Charitable Organisation Light of Hope and Astarta.

Participants:

- entrepreneurs from four local communities;
- 720 applications were submitted by entrepreneurs from the communities of Globyne, Kozelshchyna, Bilyky, Shishaky and the city of Poltava.

Results: 79 women received grants and business training to start or develop their businesses. The programme continues in 2024.

Resilience programme

RESI
LIENCE

1. **Resilience Centres** – barrier-free centres with complex of services for community citizens.

   Partners: Ministry of Social Policy of Ukraine, Charitable Foundation "Believe in Yourself", UNICEF, Astarta under support of office of First Lady of Ukraine.

   Main services of the centres: psychosocial support, development of local volunteering, support for families through development of parental competences.

   Results: pilot local communities in the Poltava, Zhytomyr and Khmelnytskyi regions.

safe
space

2. **Safe Space** - safe community spaces for social and psychological assistance, social integration, and new development opportunities.

   Partners: British Embassy in Ukraine, Crown Agents, Charitable Foundation "Believe in Yourself", Astarta.

   Centres oriented on support of war veterans, members of their families (spouses, children, parents), children, people with disabilities, people in rural area.

   Results:

   - three centres in Bucha, the Kyiv region, Krasyliv, the Khmelnytsky region and Shyshaky, the Poltava region;
   - 15k people involved in the activities.

3. **Spaces of Psychological Support** - rooms of psychological assistance for children and adults.

   Partners: Acted, United Nations Office for the Coordination of Humanitarian Affairs, Charitable Organisation Light of Hope, Charitable Foundation "Believe in Yourself", Astarta

   Results: five rooms of psychological assistance for children and adults in the Poltava region.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company sets targets related to the communities in corporate social responsibility strategy. Considering russian invasion which caused severe consequences for all communities the targets need to be updated. The Company expects to update those in 2024-2025.

Governance Information

Business Conduct

The Company maintains a culture of open dialogue with employees. One of the key areas of the management focus is transparency in the processes and risk management in general. The management actively uses a top-down approach in its day-to-day operations. Compliance Committee considers current issues related to compliance risk management and develops practical steps to maintain high standards of integrity. The Company implemented a whistleblowing mechanism which is successfully used.

Business conduct policies and corporate culture

One of the key elements of Astarta's compliance culture is the Code of Business Ethics, which includes the UN 2030 Global Sustainable Development Goals.

The Code of Business Ethics is available on Astarta's corporate website and is accessible to every employee, contractor, partner and other stakeholders.

The management contribute and promote the Company's corporate values in the course of performing their duties, disseminate the corporate culture among employees, and follow the Company's mission and values.

In accordance with internal regulatory documents, reports of possible offences can be submitted through various channels, including communication channels of the Trust Line, messages to the Incident Management Platform, and security managers of regional subsidiaries. This information is registered through the Incident Management Platform, the incident is classified, and the type of verification measure and responsible persons are determined. The process is conducted by the head of the Security and Internal Control Department or another designated person. In case the information on offences received relates to the head of the Security and Internal Control Department, the process is assigned to head of the Human Resources, Corporate Partnerships and Communications Department. Based on the results of the review, a report or an internal investigation note is prepared and approved by the CEO or director of the relevant subsidiary.

The Company adopted Anti-corruption Policy which is based on the best national and international practices, defines anti-corruption principles and measures. It also includes list of corruption offences and liability for violations. In 2024 the Company plans to update the Anti-Corruption Policy and develop an anti-corruption programme for 2024-2027, based on the best national and international practices, including recommendations of the NAPC (National Agency for the Prevention of Corruption of Ukraine) and the UN Convention against Corruption.

The Company also established a Compliance Committee. One of the goals of the Committee is to consider issues related to compliance with business ethics, and to train employees on compliance policies and procedures. In the event of a complaint regarding violations of the Code of Business Ethics, the issue is considered by the Compliance Committee.

The Company supports the principle of zero tolerance to any manifestations of corruption, fraud, money laundering and other illegal actions. The Code of Business Ethics also contains anti-corruption provisions, including a list of conflicts of interest, prevention and counteraction to corruption, fraud and money laundering, regulation of business hospitality and business gifts. Additionally, the Company has a separate procedure governing the rules and principles of business hospitality and business gifts.

The Company has the Procedure on Organising and Conducting Internal Investigations and Internal Audits which defines the procedure for initiation and conducting internal investigations related to employees of the Company.

The Company pays special attention to employee training with special focus on compliance issues. New employees are required to read the Code of Business Conduct, the Conflict of Interest Management Policy and the Anti-Corruption Policy.

The employees have access to compliance policies and procedures through the corporate website and internal resources. Information on principles of compliance and communication channels are available in the office of the Company and its subsidiaries.

The Company analyses its internal documents, procedures and processes to ensure that they do not contain any substantial gaps, which may result in reputational and financial losses. To this end, the Company conducts due diligence of counterparties and job applicants, monitors business processes aimed at minimising corruption risks, conflicts of interest and other illegal actions. The Company's employees with senior level of responsibility submits declarations of conflicts of interest on an annual basis.

Management of relationships with suppliers

In 2022 Astarta entered into a tri-party agreement with the EBRD and KPMG Ukraine to improve sustainability of the supply chain of the Company by reducing its Scope 3 carbon footprint and improving overall environmental and social impact. The project is designed to identify key suppliers and conduct a risk assessment for the procurement with the list of criteria, taking into consideration the sustainability risks; incorporate the sustainability priorities identified for the procurement system; develop the assessment procedure for the suppliers; implement monitoring of the compliance of the sustainability requirements. The Company expects to finish the project in 2024.

Prevention and detection of corruption and bribery

The Company maintains a culture of open dialogue with employees, including maintaining a high level of employee awareness of internal documents through corporate email and a corporate intranet page. The Company's management pays significant attention to transparency in the Company's processes and risk management in general.

The Compliance policies, including the Anti-Corruption Policy, are communicated to all employees via corporate mail and available on the corporate website and internal data resources. Every employee is free to contact the Compliance Department if they need additional clarification or instructions.

The Company supports the principle of zero tolerance to any form of fraud and corruption. This principle is also enshrined in the Code of Business Conduct.

The Company does not identify percentage of functions-at-risk covered by training programmes, but focuses on preventing risks trough raising awareness of the basic principles among employees and paying significant attention to risk management in the Company's key processes to prevent such risks. Training on anti-corruption or anti-bribery training are conducted by Departments for Compliance and HR.

To prevent corruption the Company undertakes different measures including:

- dissemination of information on Anti-Corruption Policy;
- analysis of internal documents to ensure that there are no gaps that can result in any corruption acts by employees;
- control of business processes to minimise corruption risks and other illegal actions,
- involvement of senior managers into prevention, identification and respond to any acts of corruption;
- use of whistleblowing mechanism such as Trust Line;

In case of identification of information on possible employee misconduct the Company conducts investigation according to established internal procedures.

The commission and its members who conduct investigation are independent from the management of the Company.

The head of Security and Internal Control Department regularly reports to the key management on the results of investigations. It includes a presentation identified violations, as well as possible remedial actions to prevent such violations in the future.

The internal compliance policies, including the Anti-Corruption Policy, are communicated to all employees via corporate mail. The Company aims to ensure that all employees can familiarise themselves with the compliance policies and the documents are stored in the internal corporate knowledge base.

Incidents of corruption or bribery

In 2023 there were no convictions and fines for violation of anti-corruption and anti- bribery laws.

Animal welfare

Policies related to Animal Welfare

Astarta's approach to animal welfare is governed by the adopted Animal Welfare Policy available at the official Astarta's webpage. Every employee and stakeholder who cooperates with the Company, is encouraged to take an active part in carrying out the principles of humane treatment of animals.

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

New farm premises for indoor range in the Poltava region

The Company strongly believes that animals should be treated well; thus, actions to improve herd welfare are constantly in focus. The Company increased investments in the Cattle Farming segment 4x y-o-y to EUR5m in 2023, including farms reconstruction, improvement of animal welfare in accordance with the EU standards and modernisation of feed preparation equipment. Among improvements were the reconstruction of premises for loose keeping of cattle and provision of comfortable bedding. As of the end of 2023 more than half of the dairy milkable herd already had access to specialised rubber mats.

Astarta provides good conditions for animal living in the cowshed and during outdoor grazing. In the cowshed cows have sufficient room to move and walk around, massage brushes, constant access to clean drinking water, and balanced and timely feed.

Harvesting forage crops, the Vinnytsya region

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

Astarta regularly adjusts feed mix to enhance balanced nutrition and improve feed conversion ratio to promote animal welfare and health. The Company conducts research on animal feed to maximise efficiency when calculating rations. Both raw (green mass) and finished feed components (haylage, silage) are examined. Based on these findings, feed rations at Astarta's Feed Centre are adjusted to better satisfy animals' needs for nutrients and minerals, also considering seasonality. This allowed for the daily unit milk yield to increase from 23.6kg in 2022 to 25.8kg in 2023.

In 2023 Astarta continued the implementation of the HACCP (Hazard Analysis and Critical Control Points) activities across its dairy farms. The Company's farming personnel seek practices that enhance animal well-being and productivity, especially those that reduce stress for livestock and increase yields.

EU Taxonomy

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

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

Therefore, 100% of the Company's revenues (EUR619m), capital expenditures (EUR41m) and operational expenditure (EUR4.4m) were derived from non-eligible activities, i.e. the Company has no activities aligned with the Taxonomy.

For this disclosure:

- Total revenues – revenues from external customers (Note 13 to the Consolidated Financial Statements);
- Capital expenditure - additions to tangible and intangible assets considered before depreciation, amortisation and re-measurements, including those resulting from revaluations, impairments, excluding fair value changes, and additions to tangible and intangible assets resulting from business combinations (Note 20 to the Consolidated Financial Statements);
- Operational expenditure - R&D costs, building renovation costs, short term leases, maintenance and repair costs, all other direct costs necessary to operate the asset (Notes 14, 15, 16, 17 to the Consolidated Financial Statements).

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

1. Anaerobic digestion of organic material with the resulting production of biogas. The Company operates a biogas facility which uses sugar beet pulp, a by-product of sugar beet processing, for production of biogas. The biogas is supplied to other production subsidiaries of the Company. Therefore, the revenues from this supply are recognised as intercompany revenues. For more information on biogas please refer to "Energy consumption and mix" and "Sugar Production" sections of this report.;
2. Organic farming. The organic farming methods utilised by Astarta improve soil health and contribute to removal of CO_2 from the atmosphere. One of the Company's subsidiaries obtained the status of an organic producer and uses 1.8kha of farmland for its operations. In 2023 revenues from sale of organic produce to external customers were EUR2.2m.

russian Invasion Impact

In 2023, the environmental and social impact of the Russian invasion in Ukraine evolved from a chaotic storm into a slow-burning fire. While the initial shockwaves of 2022 left cities in ruin and populations traumatised, 2023 saw a deepening and shifting of these realities.

The lingering hostilities continue to cast devastating impact on the environment. Fertile fields, once bursting with life, now succumb to erosion, jeopardising future harvests and food security. The nature, in the zone of hostilities, once vibrant and diverse, falters as countless species vanish, leaving a void in the delicate balance of life.

Beyond the environmental impact Ukraine felt a drastic impact on the nation's social fabric. Millions of Ukrainians have been internally displaced or fled the country as refugees. The volatile operating environment disrupts business continuity and adds unforeseen costs as a result of ongoing russian crimes. One of such crimes is a destruction of the Kakhovska Hydroelectric Power Plant dam in June 2023 which caused wide-ranging devastating consequences to environment and social sphere with the preliminary estimated financial cost to the environment of UAH146b (USD4b) according to the Ministry of Environmental Protection and Natural Resources of Ukraine.

Kakhovska dam before and after destruction by russian army

Source: Issues in Science and Technology

The overall impact on the environment and social sphere is yet to be estimated as the russian aggression is still ongoing. But it is obvious that it has already caused enormous material damage.

Key damage to the environment:

- Loss of biodiversity: the military hostilities caused a severe decline in wildlife populations and habitat destruction, with species facing extinction risks. Forests destruction disrupts intricate ecosystems;
- Water contamination: polluted waterways due to military activities and infrastructure damage threaten aquatic life and pose risks to human health;
- Air pollution: emissions from explosions, burning forests, and military vehicles significantly deteriorate air quality, leading to respiratory issues and impacting overall health;
- Soil erosion: increased erosion due to deforestation and the destruction of protective vegetation accelerates land degradation, reducing agricultural productivity and threatening food security;
- Climate change: the war exacerbates climate change concerns by releasing greenhouse gases, disrupting carbon sequestration through deforestation.

According to the Ministry of Environmental Protection and Natural Resources of Ukraine estimated financial impact on the environment as of January 2024 is UAH2.2t (USD60bn)

Social Disruption and Suffering:

- Displacement and internal migration: millions of Ukrainians have been internally displaced or fled the country as refugees, facing trauma, loss of homes, and difficulty accessing essential services;
- Humanitarian crisis: the war has triggered a severe humanitarian crisis, with millions in need of food, water, shelter, and medical care. This includes vulnerable groups like children, the elderly, and people with disabilities;

- Psychological trauma: the ongoing violence and uncertainty have caused widespread psychological trauma, anxiety, and depression among Ukrainians;
- Loss of life and livelihoods: thousands of civilians have been killed or injured in the war. Many have lost their homes, jobs, and businesses, facing economic hardship and uncertainty about the future;
- Education, healthcare, culture and social protection: the war has damaged schools, healthcare and social protection infrastructure disrupting provision of basic services for citizens.

As of June 2023, according to the Kyiv School of Economics, the value of direct and indirect losses to the residential housing fund is estimated at USD72b. Estimated value of losses in educational, healthcare, cultural and social sphere is USD38b. As of the end of the 2023, according to the United Nations High Commissioner for Refugees, number of refugees from Ukraine recorded globally was 6,444,800.

Ukraine also faced significant damage to its economy:

- Massive GDP decline which was the largest in the country's history as a result of disrupted production, infrastructure damage, and a decline in trade and investment;
- Soaring inflation driven by food insecurity, energy price hikes, and supply chain disruptions;
- Job losses and unemployment creating economic hardship and hindering recovery efforts;
- Infrastructure damage to critical infrastructure, including transportation networks, energy grids, and industrial facilities.

As of June 2023, according to the Kyiv School of Economics, the value of direct and indirect losses of key sectors of the economy of Ukraine was estimated at USD248bn.

The ongoing russian aggression of Ukraine poses a significant risk of further escalation, potentially leading to even more extensive environmental damage and social suffering.

Impact on Astarta

In 2023 the Company continued to support its employees and provide humanitarian assistance.

Despite the relentless russian aggression of Ukraine all assets of Astarta remained intact allowing the latter to sustain all operating activities and to successfully perform sugar production, sowing and harvesting campaigns. As in 2022 the courageous operating personnel continued performing their duties on production sites. The office-based personnel that had to temporarily relocate in 2022 because of constant bombings of cities had since returned to their working places in the offices as a result of safer environment reflecting significant reinforcement in Ukraine's air defence systems.

In 2023 the Company continued programmes covering physical safety of employees, financial and psychological support. Additional war-related financial payments to employees totalled EUR3m including EUR2.5m of regular wages that the Company continued to pay to the employees who had been called to the Armed Forces of Ukraine.

As of the date of this report over 510 of Astarta's employees served in the ranks of the Ukrainian Armed Forces, 32 employees were killed, 9 reported missing and 60 were wounded in combat. The Company provided aid to families of those who gave their lives for the country's independence.

Considering that logistics remained one of the key challenges for Ukrainian agro companies related costs continued to rise in 2023 (Selling and Distribution costs, Note 16 to the Consolidated Financial Statements, totalled 14% of revenues in 2023 versus 13% in 2022). The seaborn grain corridor under an agreement with the UN was launched in August 2022 but terminated in 2023 due to actions by the aggressor country. In response, Ukraine established a new seaborn corridor operating under military escort of the Ukrainian Navy. Astarta managed to use this route to ship 550kt of agricultural produce in 2023. Along with this, Astarta continued to use overland export routes via Europe which had improved with increasing capacity of railway transshipment terminals.

The Company continued its large-scale humanitarian activity through a dedicated project Common Help Ukraine. The project was co-founded by Astarta, united different businesses, international organisations, local communities to help people in need, nurture local entrepreneurship, create jobs for internally displaced people, improve psychological health, support domestic producers and the economy as a whole. The estimated total contribution from the project reached USD32m since its foundation in 2022.

Learn more and help:

Common Help Ukraine
humanitarian project

commonhelpua.org.ua

CONTENT INDEX

ESRS	Disclosure Requirement	Name	Page
ESRS 2	**General Disclosure**		
ESRS 2	BP-1	General basis for preparation of the non-financial information	38
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	38
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	39
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	
ESRS 2	SBM–1	Strategy, business model and value chain	40
ESRS 2	SBM-2	Interests and views of stakeholders	
ESRS 2	SBM-3	Material impacts, risks and opportunities and the process to identify it	42
ESRS E1	**Climate Change**		
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	43
ESRS E1	E1-1	Transition plan for climate change mitigation.	
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	
ESRS E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	44
ESRS E1	E1-5	Energy consumption and mix	58
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	59
ESRS E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	61
ESRS E1	E1-8	Internal carbon pricing	
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	
ESRS E2	**Pollution**		
ESRS E2	E2-1	Policies related to pollution	62
ESRS E2	E2-2	Actions and resources related to pollution	
ESRS E2	E2-4	Pollution of air, water and soil	
ESRS E2	E2-5	Substances of concern and substances of very high concern	63
ESRS E3	**Water and Marine Resources**		
ESRS E3	E3-1	Policies related to water and marine resources	64
ESRS E4	**Biodiversity and Ecosystems**		
ESRS E4		Biodiversity and Ecosystems	64
ESRS E4	**Resources and Circular Economy**		
ESRS E5		Resources and Circular Economy	65
ESRS S1	**Own workforce**		
ESRS S1	S1-1	Policies related to own workforce	66
ESRS S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	67
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	68
ESRS S1	S1-6	Characteristics of employees	

ESRS S1	S1-8	Collective bargaining coverage and social dialogue	69
ESRS S1	S1-9	Diversity metrics	
ESRS S1	S1-10	Adequate Wages	
ESRS S1	S1-11	Social protection	70
ESRS S1	S1-12	Persons with disabilities	
ESRS S1	S1-13	Training and skills development metrics	
ESRS S1	S1-14	Health and safety metrics	
ESRS S1	S1-15	Work-life balance metrics	71
ESRS S1	S1-16	Remuneration metrics	
ESRS S3	**Affected Communities**		
ESRS S3	S3-1	Policies related to affected communities	71
ESRS S3	S3-2	Processes for engaging with affected communities about impacts	
ESRS S3	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	
ESRS S3	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	72
ESRS S3	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	74
ESRS G1	**Business conduct**		
ESRS G1	G1-1	Business conduct policies and corporate culture	
ESRS G1	G1-2	Management of relationships with suppliers	74
ESRS G1	G1-3	Prevention and detection of corruption and bribery	
ESRS G1	G1-4	Incidents of corruption or bribery	76
ESRS G1	-	Animal Welfare	
Non ESRS	**EU Taxonomy**		
Non ESRS	**Russian Invasion Impact**		

Members of the board of directors of ASTARTA HOLDING PLC

Viktor Ivanchyk	Executive Director	*(signed)*
Viacheslav Chuk	Executive Director	*(signed)*
Savvas Perikleous	Executive Director	*(signed)*
Howard Dahl	Non-Executive, Independent Director	*(signed)*
Gilles Mettetal	Non-Executive, Independent Director	*(signed)*
Markiyan Markevych	Non-Executive Director	*(signed)*

15 April 2024

Nicosia, Cyprus

CORPORATE GOVERNANCE REPORT

1. GENERAL

ASTARTA HOLDING PLC (hereinafter referred to as "Astarta" or "Company") is a Cyprus-based public limited company with registered address at: Lampousas 1, 1095, Nicosia, Cyprus.

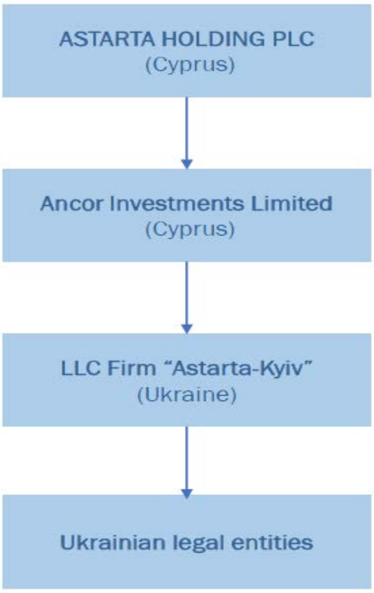
It was registered by the Department of Registrar of Companies and Intellectual Property of the Ministry of Energy, Commerce, and Industry of the Republic of Cyprus under number HE 438414.

The Memorandum and Articles of Association was adopted on 18 October 2022 and published on the Company's website (www.astartaholding.com).

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

Astarta is pleased to present this Corporate Governance Report of the Company for the 2023 financial year.

2. CORPORATE STRUCTURE



As of 31 December 2023, there were two major shareholders: the family of Mr.Viktor Ivanchyk (the Founder and CEO), who owned 40.26% or 10,064,902 of total voting shares outstanding (31 December 2022: 40.00% or 10,000,000 shares), and Fairfax Financial Holdings Ltd which owned 29.91% or 7,477,676 voting shares through its subsidiaries (31 December 2022: 29.91% or 7,477,676 shares).

3. BOARD OF DIRECTORS

A) Appointment and composition of the Board of Directors

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

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

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

Astarta promotes a balanced composition of the Board. The Company makes every effort for Board members to be selected exclusively based on their qualification and abilities (including reputation and integrity), regardless of age, gender, or any other personal characteristics.

Even though the current Board of Directors consists of six male representatives, the Company remains committed to the idea of gender equality. Should a vacancy arise on the Board, efforts will be made to actively seek and engage qualified female professionals, aiming to enhance gender diversity within the Board.

The Company may, from time to time by a AGM's resolution, increase or reduce the number of directors. Subject to the Company's Memorandum and Articles of Association a non-executive director cannot be a member of the Board of the Company for longer than 12 years. There is no limitation to the period for which executive directors may be on the Board of directors.

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

B) Representation

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

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

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

(a) that individual is recommended by the board of directors or by a committee duly authorized by the board for the purpose; or

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

C) The Directors

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

VIKTOR IVANCHYK (born in 1956)

Executive Director, Ukraine

Mr. Viktor Ivanchyk serves as an Executive Director with the Company and acts as the Chief Executive Officer of LLC firm "Astarta-Kyiv", the main operating subsidiary.
Prior to founding Astarta-Kyiv in 1993, Mr. Viktor Ivanchyk worked at the Kyiv Aviation Industrial Association (KiAPO) and carried out a State service. From 1993 he has been the General Director of Astarta-Kyiv.
In 2005 Mr. Viktor Ivanchyk became a Deputy Chairman of the Counsel of the National Association of Sugar Producers of Ukraine "Ukrsugar" and, in 2007, a member of the Presidium of the Ukrainian Agrarian Confederation.
Mr. Viktor Ivanchyk graduated from the Kharkiv Aviation Institute named after N. E. Zhukovsky (1979) and from the French Business School in Toulouse (1994). In 2007 he completed a Senior Executive MBA Programme from the International Management Institute (IMI Kyiv).

Shares owned in the Company (as of December 31, 2023): 5,032,223 (20.13%) *(Ivanchyk Family:* 10,064,446 (40.26%) *shares in the Company held through a Cypriot holding company Albacon Ventures Ltd.*

HOWARD DAHL (born in 1949)

Non-Executive Director, Chairman of the Board of Directors, Independent Director, United States of America

Mr. Howard Dahl was appointed as a Non-Executive Director with the Company and the Chairman of the Board of Directors on 17 March 2017.
From 1987 to 2016 Mr. Howard Dahl was the member of Board for several organizations, such as North Dakota Council for the Arts, University of North Dakota Foundation, North Dakota Trade Office, Federal Reserve Bank of Minneapolis, Trinity International University.
Currently Mr. Howard Dahl holds various positions in Amity Technology LLC, Ethics and Public Policy Center, Trinity Forum (Washington DC), Stoneridge Software, Long Water Opportunities, and the Center for Innovation Foundation (University of North Dakota).
Mr. Howard Dahl graduated from the University of North Dakota B.S., University of Florida and Trinity Evangelical Divinity School M.A.

Shares owned in the Company (as of December 31, 2023): 6,717 (0.03%).

VIACHESLAV CHUK (born in 1985)

Executive Director, Ukraine

Mr. Viacheslav Chuk joined Astarta in 2011 and was appointed to the position of the Executive Director of ASTARTA HOLDING PLC in August 2023.
Mr. Viacheslav Chuk studied law and finance at the Kyiv National University named after T.G. Shevchenko. He also completed Management Development Programme from the International Institute of Management (MIM Kyiv) and Corporate Governance Programme from the Ukrainian Academy of Corporate Governance (UCGA).
Mr. Viacheslav Chuk has a wide range of responsibilities in the areas of commercial strategy, business processes, commercial risks, development of value added products and expanding in new markets.

Shares owned in the Company: None.

SAVVAS SOTIRI PERIKLEOUS (born in 1960)

Executive Director, Republic of Cyprus

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

Mr Savvas Sotiri Perikleous previously held the position of Head of the Representative Office of Hellenic Bank in Kyiv. He also has many years of experience in banking, having spent the previous 35 years at Hellenic Bank in Cyprus in charge of large international corporate accounts. He also played a key role in the bank's International Business Centre as the head of the Accounts Department, Swift Payment and Incoming Payment Departments, and as an Operations Manager.

Shares owned in the Company: None.

GILLES METTETAL (born in 1961)

Non-Executive Director, Independent Director, France

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

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

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

Shares owned in the Company: None.

MARKIYAN MARKEVYCH (born in 1986)

Non-Executive Director, Canada

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

Mr. Markiyan Markevych is a Principal and President of Crossways MK Consulting, a full-service investment consulting company focused on Eastern Europe, which since 2014 has been responsible for M&A, along with direct investment in Ukraine for more than USD400m in transaction value in various sectors.

Mr. Markiyan Markevych worked in the Structured Finance area with the Bank of Montreal. Mr. Markiyan Markevych holds an MBA from Queens University and a Master of International Relations from the Ivan Franko National University of Lviv.

Shares owned in the Company: None.

D) Shareholding by Directors and Insider Trading

The total number of the Company's ordinary shares held by the members of the Board of Directors as of 31 December 2023 was 5,038,940 amounting to 20,16% of the issued and paid-up share capital of the Company.

With respect to acquiring ownership interest of securities and transactions in securities by the Directors, the Company applies the Securities Rules of the Board of Directors.

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

The Securities Rules of the Board of Directors and the Insider Trading Rules are available on the Company's website (www.astartaholding.com).

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

As of 31 December 2022, the Company repurchased 750.000 shares as result of buyback programmes from 2013. The Company did not repurchase any shares in 2023.

E) Principal responsibilities of the Board

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

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

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

- the objectives and the strategic policy of the Company, review of performance against these goals;
- annual, half yearly and quarterly financial results;
- sustainability, responsible business strategy and KPIs;
- the material transactions of the Company;
- remuneration of Directors;
- appointments to Board Committees;
- significant variations in borrowings or borrowing facilities;
- financial, risk management and climate policies and procedures;
- engagement with the Company's external auditors;
- preparation of the annual report.

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

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

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

The Chairman serves as the interface between the Board and shareholders of the Company on matters of corporate governance. Detailed information on competence of the Chairman of the Board of Directors is presented on the Company's website (www.astartaholding.com).

Mr. Howard Dahl held the position of the Chairman of the Board of Directors in 2023.

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

On 18 October 2022 INTER JURA CY (SERVICES) LIMITED was appointed the COMPANY'S SECRETARY. The duties of CORPORATE SECRETARY of the Company during 2023 were performed by Ms. Yuliya Bereshchenko, who took them on after the resignation of the previous corporate secretary Mrs.Tatiana Gromova in May 2023.

Ms. Yuliya Bereshchenko, who is also the Director for Sustainable Business Development and Investor Relations of LLC Firm "Astarta Kyiv" remained being present during the following Board meetings and assisted ensuring the accurate documentation of the Board and its committees.

G) Relationship between the Chairman of the Board of Directors and Executive Directors. Role of the Executive Directors.

A clear division of responsibilities is maintained between the Chairman and the Executive Directors. The Chairman is required to maintain close relations with Executive Directors by giving them support and advice while respecting the executive powers of the Executive Directors. The Executive Directors provides the Chairman with all the information required to carry out the role.

The Executive Directors report directly to the Board and are entrusted with the day-to-day management of the Company within strategic parameters established by the Board. The Executive Directors are responsible for the execution and management of the outcome of all Board decisions. The Executive Directors also oversee the organization and efficient day-to-day management of subsidiaries and affiliates.

H) Non-executive independence

The Company meets all requirements of Clause 2.3. of the Code of Best Practice for GPW Listed Companies 2021 regarding the independence of the Non-Executive Directors. Two Directors that constitute one third or 33% of the total number of the Board of Directors, Mr. Howard Dahl and Mr. Gilles Mettetal, are independent directors. The independence of each of the Non-Executive Directors was considered on appointment. They meet, *inter alia*, the requirements set in Clause A.2.3. of the Cyprus Corporate Governance Code, namely:

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

I) Conflicts of interest and related party transactions

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

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

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

L) Board meetings and attendance rate

For the reporting period the Board has held 6 (six) Board meetings and 10 (ten) committee meetings. All the Non-Executive Directors and the Chairman attended these meetings. For convenience purposes, the Board meetings during 2023 were conducted using conference call facilities.

M) Diversity and inclusion

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

N) Confidential information

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

O) Information and professional development

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

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

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

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

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

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors formed three committees to aid compliance with applicable corporate governance requirements with a view to financial transparency:

- the Audit committee,
- the Remuneration committee and
- the Sustainability and Corporate Responsibility Committee.

The powers and responsibilities of each Committee are established in corresponding Rules that are available on the Company website (www.astartaholding.com).

A) Audit Committee

The Audit Committee is responsible for reviewing annually and reassessing the adequacy of the rules governing the committee as established by the Board of Directors. The Audit Committee is charged with advising on and monitoring the activities of the Board of Directors with respect to inter alia, the integrity of the financial statements, the financing and finance related strategies and tax planning.

The Rules of the Audit Committee are available on the Company website (www.astartaholding.com).

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

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

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

Within 2023 financial year the Audit Committee conducted three meetings and, inter alia, discussed the internal audit for the period of 12 months of the year 2022, effectiveness of the internal control systems, information received through the Company's Trust Line and internal audit.

B) Remuneration Committee

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

The Rules of the Remuneration Committee are available on the Company website (www.astartaholding.com).

The Remuneration Committee consists of two members who are also independent:

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

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

During 2023 the Remuneration Committee conducted four meeting, during which remuneration and short-term incentive targets (STI) for Executive Directors were discussed.

C) Sustainability and Corporate Responsibility Committee

The Sustainability and Corporate Responsibility Committee assists the Board of Directors in fulfilling its responsibility for oversight of relevant sustainability and corporate social responsibility policies, strategies and programmes of the Company including climate strategy, monitor the climate related KPIs' and targets.

The Rules of the Sustainability and Corporate Responsibility Committee are available on the Company's website (www.astartaholding.com).

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

- Viktor Ivanchyk (Chairman, Executive Director)
- Howard Dahl (Independent Non-Executive Director)
- Gilles Mettetal (Independent Non-Executive Director)

In 2023 the Sustainability and Corporate Responsibility Committee held three meetings.

5. BUSINESS ETHICS

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

The values of the Company's business ethics are presented on the Company's website and in the Code of Conduct and are available on the Company website (www.astartaholding.com).

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

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

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

(A) Impeccable business reputation

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

(B) Social responsibility

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

(C) Respect for partners

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

(D) Quality of goods and services

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

(E) Conscientious performance of official duties

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

(F) Respect for colleagues and management team of the Company

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

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

6. ANTI-CORRUPTION AND BRIBERY

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

In dealing with customers and suppliers, as well as the government bodies, the Company expects its management staff and employees neither to give, nor to receive bribes or anything of value to obtain any business or financial benefits. The employees of the Company are informed that any demand for or offer of such bribe or anything of value must be immediately rejected. The Company has the Anti-corruption Policy adopted on the main operating subsidiary level that is available on the Company's website.

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

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

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

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

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

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

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

7. COMPLIANCE WITH SANCTIONS

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

8. MONITORING THE EFFECTIVENESS OF THE CODE OF CONDUCT

The Company systematically monitors the performance of the Code of Conduct and its effectiveness. The above function lies with the HR and Security departments as well as Compliance Committee established on the main operating subsidiary level. During the reporting period the Compliance Committee held nine meetings. The Committee had not identified gross violations of the Code of Conduct.

9. REMUNERATION POLICY

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

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

The Remuneration Policy for the Board of Directors is currently in the process of review and will be published on the Company's website (https://astartaholding.com/en/).

10. SHAREHOLDERS MEETINGS

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

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

A) Notice of Shareholders Meetings

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

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

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

B) Proceedings at the Shareholders Meetings

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

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

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

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

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

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

C) Votes of Members

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

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

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

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

11. SHAREHOLDERS MEETINGS, BOARD MEETINGS AND COMMITTEES' MEETINGS IN 2023

The annual General Meeting of Shareholders of the Company was held at the Company's registered office at 1, Lampousas street, 1095, Nicosia, Cyprus, on 24th May 2023. Shareholders who could not attend the meeting were provided with the opportunity to participate through electronic means and vote by proxy.

Within the financial year 2023, the Board of Directors held six meetings via a conference call: on April 19, May 15, May 23, May 24, August 24 and November 7.

There were also seven written resolutions adopted by the Board of Directors on various material matters (entering into agreements, issuing of the POA's etc).

Within the financial year 2023, the Audit Committee held three meetings via conference call: on April 19, August 24 and November 7.

Within the financial year 2023, the Remuneration Committee held four meetings via conference call: on April 19, May 24, August 24 and November 7.

Within the financial year 2023, the Sustainability and Corporate Responsibility Committee held three meetings via conference call: on April 19, August 24 and November 7.

12. GOVERNANCE AND CONTROL

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

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

A) Code of Best Practice for WSE Listed Companies

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

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

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

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

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

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

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

The Company confirms that in 2023 it complied with the most provisions of the Code of Best Practice, except provisions mentioned in Clause 13 below. The Company intends to eliminate the discrepancy during 2024.

B) Cyprus Stock Exchange Corporate Governance Code

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

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

Statement of compliance with the Cyprus Stock Exchange Corporate Governance Code

The Company confirms that in 2023 it complied with the most provisions of the Cyprus Code, except for provisions mentioned in Clause 13 below. The Company intends to eliminate the discrepancy during 2024.

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

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

I. Management Board, Board of Directors

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

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

The main principles of engagement of Directors remains the same: qualifications, experience, and compliance with the independence criteria. However, the Diversity policy as a separate document is yet to be approved.

"2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1."

Corporate documents of the Company don't contain information with respect to gender or age requirements to members of the Board of Directors as the main principles in engagement of Directors are their qualifications, experience, and compliance with the independence criteria and principles of their past and current activity in other companies.

The Company has consistently applied a policy whereby governing and managerial positions are filled by competent individuals possessing the necessary experience and education.

"2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company."

The Company's non-executive directors may be engaged in additional professional activities other than performing functions in the Board of Directors of the Company and can apply their extensive expertise for the benefit of the Company.

"2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board."

Since the Company has a one-tier board structure, the provision regarding approval of the supervisory board is not applicable. In addition, members of the Board of Directors are not required to obtain prior approval for the occupation of any managerial positions in corporate bodies of other companies (apart from the Company's group).

"2.9. The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board."

The Company has a one-tier board structure; managerial and supervisory duties are joined by the Board of Directors consisting of Executive and Non-Executive Directors. Non-Executive Directors perform supervising duties. Subject to the Rules of the Board of Directors, at least fifty percent (50%) of the total number of Non-Executive Directors shall be independent in the meaning provided in the Articles of Association of the Company. In addition, please be informed that the Chairman of the Board of Directors does not combine this function with that of the Chairman of the Audit Committee.

"2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing."

The Company does not have a supervisory board. However, it allocates administrative and financial resources necessary to ensure the efficient functioning of the Board of Directors.

II. Internal Systems and Functions

"3.10 Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee."

The internal audit function is not reviewed by the independent auditor.

III. General Meeting of Shareholders

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

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

"4.4. Presence of representatives of the media is allowed at general meetings."

Such procedure is not prescribed by the effective Articles of Association of the Company.

The following persons may apply for admission to, and attend, the Meeting:

a. the Directors;

b. the Company's external auditors;

c. the Company's advisers and experts if invited by the Board of Directors; and

d. the Company's employees if invited by the Board of Directors or if their presence results from the applicable provisions of laws.

"4.5. If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 – 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code."

The principle is not applied since the Company is registered in the Republic of Cyprus, and the effective Cypriot legislation is applied with respect to the convocation of the general meeting of shareholders.

"4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting."

The principle is not applied since Non-Executive Directors perform supervising duties, however, they do not issue opinions on draft resolutions.

"4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:

4.9.1. candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;

4.9.2. candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company."

The principle 4.9.1 and 4.9.2 are not applied due to the absence of the supervisory board. Supervising duties are performed by the members of the Board of Directors (non-executive directors who are independent).

IV. Conflict of Interest, Related Party Transactions

"5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact."

The principle is not applied due to the absence of the supervisory board. Supervising duties are performed by the members of the Board of Directors (non-executive directors, who are independent).

"5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6."

The principles 5.6. and 5.7. are not applied. However, following articles of association and rules of the Board of Directors of the Company, the decisions regarding related party transactions require the consent of the Board of Directors, and a Director with a direct or indirect personal interest that conflicts with the Company's interest may not take part in the deliberations or decision-making. If no resolutions can be adopted by the Board of Directors as a result thereof, such resolutions must be adopted by the General Meeting or by a legal body as appointed by the General Meeting for that purpose, which corporate body may also be the Board of Directors.

V. Remuneration

"6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual

long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability."

The members of the Board of Directors who take part in the Company's day-to-day business activity may receive fixed and variable remuneration. The fixed remuneration serves as a motivation for Executive directors to achieve high results in the development of business that are in line with the long-term interests of the Company and its shareholders. The variable remuneration is represented by Short-term incentive (STI) and Long-term incentive (LTI). The STI is designed to focus on a range of strategically important annual objectives for a one-year performance period. The Company's LTI is designed to focus on the strategic priorities that will contribute to building sustainable long-term value creation. At the same time, the Company expects to Integrate sustainability and climate-related KPIs into performance measurement.

"6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of predefined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved."

There is no stock option programme for managers at the moment. However, treasury shares may be transferred to the Executive directors as part of the remuneration for achieving LTI goals.

"6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee."

The Company does not provide additional remuneration for members of the Board for being a member of the audit committee or other committees functioning under the Board.

Confirmations in relation to the Code of Best Practice

There were no conflict-of-interest situations between the Directors and the Company during financial year 2023 in line with Clause 5 of the Code of Best Practice.

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

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

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

"A.4.1. There should be a nomination Committee which should lead the process for board appointments and make recommendations to the Board of Directors. A majority of the members of this Committee should be Non-Executive Directors and its Chairman should be either the Chairman of the Board of Directors (if he is non-Executive) or a Non-Executive Director. The Chairman and members of the Nomination Committee should be identified in the Annual Report."

The Company has three committees to aid compliance with applicable corporate governance requirements with a view to financial transparency:

1) the Audit committee,
2) the Remuneration committee and
3) the Sustainability and Corporate Responsibility Committee.

The process for appointments to the board is regulated by the Company's documents such as Memorandum and Articles of Association as well as Rules of the Board of Directors.

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

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

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

Communication with the shareholders and investors is assured by the Chairman of the Board of Directors.

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

14. LONG-TERM VALUE CREATION

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

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

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

The Company's policy is based on continuous improvement in the areas of environmental and labour protection, safety, energy consumption and product quality. These elements are part of the corporate integrated management system.

15. INTERNAL CONTROL

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

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

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

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

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

(ii) direct control forms.

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

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

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

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

2) Control over revenues and expenses

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

The Company has the Budget Committee at the main operating subsidiary level whose function is to improve efficiency of control over revenues and expenses of subsidiaries. It convenes meetings on a regular basis to approve budgets and exercise control over budget execution.

3) Control over sales by Company's subsidiaries

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

4) Control over purchasing and logistics functions of Company's subsidiaries

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

5) Control over investment decisions

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

6) Control over financial and tangible assets

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

7) Policy of economic security

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

8) Whistleblowing Line

Following the recommendations of an external consulting company, Astarta maintains a Trust Line. Everyone who works in the Company or with Astarta can provide information about suspected fraud or other violations by telephone, post, e-mail, or the Company's website. This information may be left anonymously if the contacting person wishes to. Over the last twelve months the Company received 477 messages through the Trust Line.

9) Compliance Committee

Astarta established the Compliance Committee consisting at least of eight members and is chaired by the CEO. The Compliance Committee supports the Board of Directors in discharging its responsibility for assuring and managing compliance. Under the scope of the Compliance Committee the following as areas of compliance risks are covered (i) issues relating to the Code of Conduct, (ii) anti-bribery, (iii) fraud, (iv) conflicts of interests (v) data protection, (vi) human rights, (vii) KYC procedures and counterparties risk and (viii) Trust Line and forensic. The Compliance Committee identifies material compliance risks in those areas, enforces compliance with laws and regulations, monitors compliance and provide recommendations to the key internal stakeholders. In 2023 the Compliance Committee held 9 meetings.

10) Focus on the risk of fraud

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

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

The Company also has an electronic procurement system that enforces competitive procedures for selecting product suppliers. All procurements starting from UAH 50k by value are subject to the electronic procurement system or approved by the Tender Committee.

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

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

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

11) Cybersecurity

The Company pays a lot of attention to cybersecurity since protecting sensitive data and customer information to safeguarding operations and maintaining business continuity, robust cybersecurity measures are crucial. The landscape of information security threats has been growing steadily since the beginning of 2022, and the vector of such threats is constantly changing. Therefore, the Company relies on and focuses not only on specialised software and hardware solutions to ensure cyber resilience, but also on adapting and improving internal regulatory framework, as well as on training and knowledge enhancement of employees.

As part of the Company's Policy on training and improvement of cybersecurity aimed at upskilling on information security and cyber resilience, the Company regularly conducts training by means of:

- Emails on landscape of new cyber threats;
- Monthly Information Security Digest with comprehensive information on new information threats) including rules and recommendations on threats avoidance;
- Regular online seminars on information threats and their avoidance, followed by knowledge testing;
- Information and software systems;
- Phishing simulation attacks and spear phishing or wailing attacks.

Such training helps the Company to reduce the number of threats to the Company's IT infrastructure resulting from employees' response to threats and immediate notification of the IT specialists.

As part of its training programme, the Company also focuses on ongoing training and professional development of technical specialists who ensure the stable and secure operation of its IT infrastructure and information security systems.

12) Internal Audit

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

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

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

Deficiencies

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

The Board of Directors believes that the Company's internal risk management and control systems have not led to any major misstatement or material errors in the 2023 financial reporting of the Company.

16. REMUNERATION REPORT

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

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

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

In 2023 despite the ongoing russian aggression of Ukraine Astarta secured all operation activities.

Addressing significant challenges in the spere of products logistics and, as a result, high cost of export, Astarta moved towards a more well-balanced crop acreage structure, significantly reducing the share of bulkiest crops such as corn and wheat. As a result, the Company harvested 6% y-o-y less grains and oilseeds equivalent of 788kt. At the same time effective commercial and logistics management allowed the Company to increase grain and oilseed sales 1.6x times y-o-y exceeding 1mt in 2023 out of which 796kt was exported to international markets.

The Company's sugar production increased by 34% y-o-y to 377kt reflecting 37% higher sugar beet processing volumes – 2.7mt. This allowed the Company to increase sugar sales by 26% y-o-y to 284kt out of which 50kt were exported (+69% y-o-y).

In the Soybean Processing ample supply of soybeans resulted in record year in terms of processed volumes of soybeans by the Company. Processing volume increased by 10% y-o-y to 232kt. Increase in processing volumes contributed to growth of soybean products sales by 20% y-o-y to 227kt out of which 180kt were exported (+20% y-o-y).

Efficient farm management and a balanced diet led to a 9% y-o-y increase in the daily average unit milk yield to a record 25.8kg/day at Astarta's farms. This, together with the 3% y-o-y growth of the milkable size of herd resulted in a 12% y-o-y higher milk production of 115kt in 2023. Sales volumes of raw milk increased by 13% y-o-y, to 111kt in 2023, of which 96% was of extra quality (previous year - 94%).

In 2023 on a back of solid production results Astarta's revenues increased by 21% y-o-y to EUR619m. The Company strengthened its positions in all of its key business segments: Agriculture revenues reached EUR240m, versus EUR180m in 2022, Sugar sales up by 28% y-o-y to EUR199m, Soybean Processing generated EUR122m (flat y-o-y) and Cattle Farming – EUR43m (up by 10% y-o-y). Gross profit increased 8% to EUR224m mainly contributing from the Agriculture and the Sugar Production segments.

In 2023 Astarta developed and published decarbonisation strategy until 2030 which targets 44% GHG emission reduction from c.800k of CO_{2eq} 2022 Baseline on account of regenerative agriculture practises, energy efficiency and substitution of fossil fuels with renewable energy.

The Company also continued its largescale humanitarian activity. Common Help Ukraine project was co-founded by Astarta, united different businesses, international organizations, local communities to help people in need, nurture local entrepreneurship, create jobs for internally displaced people, improve psychological health, support domestic producers and the economy as a whole. The estimated total contribution from the project reached USD32m since its foundation.

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

Remuneration Committee

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

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

Remuneration Policy

The Directors of the Company are remunerated according to the Remuneration Policy adopted on 28 May 2021 (the "Remuneration Policy"). Currently the Remuneration Policy is under review.

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

As ASTARTA HOLDING PLC is a holding company with all production assets in Ukraine the Executive Directors are involved in the operational processes on the ground. The operational management of the Company is carried out at the sub-holding level – by the management of LLC Firm “Astarta-Kyiv”. Therefore, the Company defines management remuneration - (i) for directors who do not take part in the operational management (the Non-Executive Directors), and (ii) for directors who take part in the operational management (the Executive Directors).

Total remuneration

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

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

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

Annual remuneration

Annual fixed remuneration is set by the Board of Directors upon recommendation of the Remuneration Committee. Annual fixed remuneration can be reviewed annually, without any commitment to increase, after adoption of the annual accounts.

On November 7, 2023, in accordance with the Remuneration Policy the Board of Directors approved the fixed annual remuneration of the Directors for the year 2023.

Members of the Board of Directors may be remunerated by the Company’s subsidiaries.

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

all in EURk

Director’s position	Financial year	Fixed remuneration	Variable remuneration	Total remuneration
Chairman of the Board	2023	75	-	75
	2022	75	-	75
Other Non-executive Board members (combined)	2023	80	-	80
	2022	80	-	80
Executive Directors (combined)	2023	681	942	1 623
	2022	676	-	676
Total	**2023**	**836**	**942**	**1 778**
	2022	**831**	**-**	**831**

Additionally, expenses on the long-term incentive plan (“LTI”) for the year ended 31 December 2022 were accrued for Executive Directors in the amount of EUR 575 thousand. These expenses are not part of total 2022 remuneration in the table above. Expenses on the long-term incentive plan (“LTI”) for the year ended 31 December 2023 were not accrued for Executive Directors. Total remuneration including accrual for LTI for Executive Directors resulted in the amount of EUR1,623k for 2023 (2022: EUR1,251k).

Based on the Company’s Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company’s shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023.

According to the mentioned Resolution of the Board of Directors one of the Executive Directors was also entitled to receive a free of charge transfer of Company’s shares in the quantity 124,755 for achievement of the long-term incentive target. Such transfer is yet to be performed.

Loans and guarantees

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

17. REPORT OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Board of Directors, Mr. Dahl, Mr. Mettetal and Mr. Markevych have performed the following actions and duties in their role as Non-Executive Directors in 2023.

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

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

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

There were no irregularities in the 2023 financial year that required intervention by the Non-Executive Directors.

REPRESENTATIONS OF THE BOARD OF DIRECTORS

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

Pursuant to section 9, subsections (3)(c) and (7) of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (the "Law"), we the members of the Board of Directors and others responsible for the financial statements of ASTARTA HOLDING PLC for the year ended 31 December 2023 confirm that, to the best of our knowledge:

(a) The annual consolidated and separate financial statements:

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

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

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

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

The Board of Directors hereby represents that PricewaterhouseCoopers Ltd which performed the audit of the statutory financial statements of the Company for the period that ended 31 December 2023, has been appointed in accordance with the applicable laws and that this entity and the accountants performing the audit met the conditions necessary to issue an impartial and independent report on the audit in accordance with the applicable provisions of law.

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

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

Members of the board of directors of ASTARTA HOLDING PLC

Viktor Ivanchyk	Executive Director	*(signed)*
Viacheslav Chuk	Executive Director	*(signed)*
Savvas Perikleous	Executive Director	*(signed)*
Howard Dahl	Non-Executive, Independent Director	*(signed)*
Gilles Mettetal	Non-Executive, Independent Director	*(signed)*
Markiyan Markevych	Non-Executive Director	*(signed)*

15 April 2024
Nicosia, Cyprus

BOARD OF DIRECTORS AND OTHER OFFICERS

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

Management Report

1 The Board of Directors presents its report together with the audited consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31 December 2023.

Principal activities and nature of operations of the Company

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

Changes in group structure

3 During the year there were the following changes in the Group structure that took place. The Group has established one trading subsidiary company in Cyprus: Astarta Trading Limited. As at 30 June 2023 LLC "Agricultural company "Musievske" was merged with LLC "Agricultural company "Astarta Prykhorollia".The Group does not intend to proceed with any other acquisitions, disposals or mergers.

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

4 During the year ended 31 December 2023, the Group increased its turnover by 21% as a result of which its turnover amounted to UAH 24,446 million (EUR 619 millions) compared to UAH 17,554 million (EUR 510 millions), primarily driven by the increase in sales of agriculture products. Despite the increase in its turnover, the Group's net profit decreased by 5%, as a result of which, the Group's net profit for the year amounted to UAH 2,453 million (EUR 62 million) relative to UAH 2,191 million (EUR 65 million) for the year 2022.

5 During the year ended 31 December 2023, the Company increased its turnover by 5% as a result of which its turnover amounted to EUR 911 thousand compared to EUR 872 thousands. Despite the increase in its turnover, the Group's net profit decreased by 5%, as a result of which, the Company's net profit for the year amounted to EUR 61,903 thousand relative to EUR 65,164 thousand for the year 2022.

6 As at 31 December 2023, the Group's s total assets amounted to UAH 29,979 million (EUR 710 million) (2022: UAH 27,562 million (EUR 708 million)) and its net assets amounted to UAH 21,054 million (EUR 499 million) (2022: (UAH: 19,056 million (EUR 489 million)).

7 As at 31 December 2023, the Company's total assets and net assets amounted to EUR 499 million (2022: EUR 489 million).

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

9 Financial and non-financial Key Performance Indicators relevant to the Group and the Company, including information relating to environmental and employee matters, are disclosed in the Report on Operations and Sustainability section of the Annual Report.

Principal risks and uncertainties

10 The principal risks and uncertainties faced by the Group and the Company are disclosed in Notes 2 and 21 and Notes 2 and 12 of the consolidated and separate financial statements respectively.

11 The operating environment has a significant impact on the Group's and Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic and military situation are difficult to predict and management's current expectations and estimates could differ from actual results.

Use of financial instruments by the Company

12 The Group's and Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

13 The Group's and Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance. Risk management is carried out by a financial department under policies approved by the Board of Directors. The financial department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Foreign exchange risk

14 The Group and the Company are exposed to currency risk on sales, purchases and loans issued that are denominated in a currency other than the respective functional currency of the Group and the Company. The currency in which these transactions primarily are denominated is U.S. dollars. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies. For more information, please refer to Notes 21 and 12 of the consolidated and separate financial statement respectively.

Credit risk

15 Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and the Company are exposed to credit risk from its operating activities (primarily for other receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. For more information, please refer to Notes 21 and 12 of the consolidated and separate financial statement respectively.

Liquidity risk

16 Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions.

Typically, the Group and the Company ensures that they have sufficient cash on demand to meet expected operating expenses for a period of 60 days. For more information, please refer to Notes 21 and 12 of the consolidated and separate financial statement respectively.

Future developments of the Company

17 The Board of Directors does not plan for any significant changes or developments in the operations, financial position and performance of the Group and the Company in the foreseeable future. However, it is monitoring the unfolding of potentially volatile external factors, like the economic and military situation, and taking appropriate actions to protect the interests of the Group and the Company.

Results

18 The Group's results for the year are set out on pages 108-117. The Company's results for the year are set out on pages 174-178. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, does not recommend the payment of a dividend and the profit for the year is retained.

Share capital

19 There were no changes in the share capital of the Company.

Treasury shares

20 There were no acquisitions of own shares of the Company in 2023. Based on the Company's Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company's shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023. As at 31 December 2023 the Group held 654,355 of treasury shares with the total cost of EUR 5,325 thousand. Par value of each share is EUR 0.01.

Board of Directors

21 The members of the Board of Directors at 31 December 2023 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2023, except Mr. Viacheslav Chuk, who was appointed as Executive Director on 21 August 2023. Mr. Viktor Gladky was acting as Executive Director until 21 August 2023.

22 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

23 There material post balance sheet events, which have a bearing on the understanding of the consolidated and separate financial statements are disclosed in Notes 23 and 15 respectively.

Branches

24 The Group and the Company did not operate through any branches during the year.

Corporate governance report

25 The Corporate governance report is set out on pages 82 to 101.

Independent auditors

26 The Independent auditors, PricewaterhouseCoopers Limited, Cyprus were appointed during the year and have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board of Directors,

Savvas Sotiri Perikleous *(signed)*
Director

Nicosia,
15 April 2024

ASTARTA HOLDING PLC

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 108

CONSOLIDATED INCOME STATEMENT 110

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 112

CONSOLIDATED STATEMENT OF CASH FLOWS 114

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 118

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Ukrainian hryvnias)	*Notes*	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	*4*	**8 030 921**	7 605 525
Right-of-use assets	*5*	**4 522 250**	3 799 228
Intangible assets		**18 475**	13 551
Biological assets	*6*	**1 545 391**	1 167 018
Long-term receivables and prepayments	*8*	**10 144**	7 955
Deferred tax assets	*19*	**23 805**	10 807
Total non-current assets		**14 150 986**	12 604 084
Current assets			
Inventories	*7*	**10 760 434**	9 510 154
Biological assets	*6*	**738 512**	1 284 184
Trade accounts receivable	*8*	**1 653 477**	905 513
Other accounts receivable and prepayments	*8*	**2 112 826**	2 233 289
Current income tax		**1 887**	1 867
Short-term cash deposits		**1 100**	3 518
Cash and cash equivalents	*9*	**559 899**	1 018 898
Total current assets		**15 828 135**	14 957 423
Total assets		**29 979 121**	27 561 507
EQUITY AND LIABILITIES			
Equity	*10*		
Share capital		**1 663**	1 663
Additional paid-in capital		**369 798**	369 798
Retained earnings		**18 065 220**	15 569 378
Revaluation surplus		**2 245 195**	2 810 847
Treasury shares		**(107 790)**	(137 875)
Currency translation reserve		**479 704**	442 639
Total equity		**21 053 790**	19 056 450
Non-current liabilities			
Loans and borrowings	*11*	**1 470 056**	647 742
Net assets attributable to non-controlling participants		**24 302**	23 191
Other long-term liabilities		**525**	1 646
Lease liability	*5*	**3 631 278**	3 110 170
Deferred tax liabilities	*19*	**235 343**	294 800
Total non-current liabilities		**5 361 504**	4 077 549
Current liabilities			
Loans and borrowings	*11*	**170 445**	1 623 919
Current portion of long-term loans and borrowings	*11*	**556 048**	431 118
Trade accounts payable		**470 448**	329 872
Current portion of lease liability	*5*	**1 331 884**	1 141 038
Current income tax		**150 795**	172 163
Other liabilities and accounts payable	*12*	**884 207**	729 398
Total current liabilities		**3 563 827**	4 427 508
Total equity and liabilities		**29 979 121**	27 561 507

On 15 April 2024 the Board of Directors of ASTARTA HOLDING PLC and responsible officer approved and authorised these Consolidated financial statements for issue.

___*(signed)*______

Viktor Ivanchyk
Executive Director of ASTARTA HOLDING PLC

___*(signed)*______

Liliia Lymanska
Chief Financial Officer of LLC firm “Astarta-Kyiv”, main operating subsidiary of ASTARTA HOLDING PLC

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	*Notes*	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	*4*	**190 270**	195 258
Right-of-use assets	*5*	**107 142**	97 539
Intangible assets		**437**	348
Biological assets	*6*	**36 614**	29 962
Long-term receivables and prepayments	*8*	**240**	204
Deferred tax assets	*19*	**564**	277
Total non-current assets		**335 267**	323 588
Current assets			
Inventories	*7*	**254 939**	244 156
Biological assets	*6*	**17 497**	32 969
Trade accounts receivable	*8*	**39 174**	23 247
Other accounts receivable and prepayments	*8*	**50 058**	57 337
Current income tax		**45**	48
Short-term cash deposits		**26**	90
Cash and cash equivalents	*9*	**13 265**	26 158
Total current assets		**375 004**	384 005
Total assets		**710 271**	707 593
EQUITY AND LIABILITIES			
Equity	*10*		
Share capital		**250**	250
Additional paid-in capital		**55 638**	55 638
Retained earnings		**796 998**	728 463
Revaluation surplus		**77 524**	97 057
Treasury shares		**(5 325)**	(6 103)
Currency translation reserve		**(426 274)**	(386 066)
Total equity		**498 811**	489 239
Non-current liabilities			
Loans and borrowings	*11*	**34 829**	16 630
Net assets attributable to non-controlling participants		**576**	595
Other long-term liabilities		**12**	42
Lease liability	*5*	**86 033**	79 848
Deferred tax liabilities	*19*	**5 576**	7 568
Total non-current liabilities		**127 026**	104 683
Current liabilities			
Loans and borrowings	*11*	**4 038**	41 691
Current portion of long-term loans and borrowings	*11*	**13 174**	11 068
Trade accounts payable		**11 145**	8 469
Current portion of lease liability	*5*	**31 555**	29 294
Current income tax		**3 573**	4 420
Other liabilities and accounts payable	*12*	**20 949**	18 729
Total current liabilities		**84 434**	113 671
Total equity and liabilities		**710 271**	707 593

On 15 April 2024 the Board of Directors of ASTARTA HOLDING PLC and responsible officer approved and authorised these Consolidated financial statements for issue.

___*(signed)*______

Viktor Ivanchyk
Executive Director of ASTARTA HOLDING PLC

___*(signed)*______

Liliia Lymanska
Chief Financial Officer of LLC firm “Astarta-Kyiv”, main operating subsidiary of ASTARTA HOLDING PLC

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Ukrainian hryvnias)	*Notes*	2023	2022
Revenues	*13*	**24 446 262**	17 554 004
Cost of revenues	*14*	**(17 913 652)**	(13 021 750)
Changes in fair value of biological assets and agricultural produce		**2 303 191**	2 604 164
Gross profit		**8 835 801**	7 136 418
Other operating income		**56 152**	41 399
General and administrative expense	*15*	**(1 097 502)**	(824 452)
Selling and distribution expense	*16*	**(3 453 554)**	(2 359 131)
Other operating expense	*17*	**(549 642)**	(289 246)
Profit from operations		**3 791 255**	3 704 988
Interest expense on lease liability	*18,5*	**(809 134)**	(726 701)
Other finance costs	*18*	**(215 752)**	(288 955)
Foreign currency exchange gain/(loss)		**82 211**	(203 955)
Finance income	*18*	**75 039**	65 512
Other (expenses)/income		**(1 581)**	1 831
Profit before tax		**2 922 038**	2 552 720
Income tax expense	*19*	**(469 232)**	(361 370)
Net profit		**2 452 806**	2 191 350
Net profit attributable to:			
Equity holders of the parent company		**2 452 806**	2 191 350
Weighted average basic shares outstanding (in thousands of shares)		**24 272**	24 250
Basic earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		**101,05**	90,36
Weighted average diluted shares outstanding (in thousands of shares)		**24 397**	24 588
Diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		**100,54**	89,12

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	Notes	2023	2022
Revenues	*13*	**618 931**	510 070
Cost of revenues	*14*	**(453 289)**	(379 888)
Changes in fair value of biological assets and agricultural produce		**57 945**	77 223
Gross profit		**223 587**	207 405
Other operating income		**1 424**	1 198
General and administrative expense	*15*	**(27 735)**	(24 113)
Selling and distribution expense	*16*	**(87 598)**	(66 444)
Other operating expense	*17*	**(13 901)**	(8 977)
Profit from operations		**95 777**	109 069
Interest expense on lease liability	*18,5*	**(20 461)**	(21 497)
Other finance costs	*18*	**(5 468)**	(8 223)
Foreign currency exchange gain/(loss)		**2 082**	(5 931)
Finance income	*18*	**1 902**	1 864
Other (expenses)/income		**(39)**	41
Profit before tax		**73 793**	75 323
Income tax expense	*19*	**(11 890)**	(10 159)
Net profit		**61 903**	65 164
Net profit attributable to:			
Equity holders of the parent company		**61 903**	65 164
Weighted average basic shares outstanding (in thousands of shares)		**24 272**	24 250
Basic earnings per share attributable to shareholders of the company from continued operations (in Euros)		**2,55**	2,69
Weighted average diluted shares outstanding (in thousands of shares)		**24 397**	24 588
Diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		**2,54**	2,65

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Ukrainian hryvnias)	**2023**	**2022**
Profit for the period	**2 452 806**	2 191 350
Other comprehensive income/(loss)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Translation difference	**37 065**	(17 182)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**37 065**	(17 182)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve	**111**	1 746 810
Income tax effect	**(17)**	(204 791)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**94**	1 542 019
Total other comprehensive income	**37 159**	1 524 837
Total comprehensive income	**2 489 965**	3 716 187
Attributable to:		
Equity holders of the parent	**2 489 965**	3 716 187
Total comprehensive income for the year as at 31 December	**2 489 965**	3 716 187

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	2023	2022
Profit for the period	61 903	65 164
Other comprehensive loss		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Translation difference	(40 208)	(111 506)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(40 208)	(111 506)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve	3	44 839
Income tax effect	(1)	(5 258)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	2	39 581
Total other comprehensive loss	(40 206)	(71 925)
Total comprehensive income/(loss)	21 697	(6 761)
Attributable to:		
Equity holders of the parent	21 697	(6 761)
Total comprehensive income/(loss) for the year as at 31 December	21 697	(6 761)

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Ukrainian hryvnias)	*Notes*	2023	2022
Operating activities			
Profit before tax		**2 922 038**	2 552 720
Adjustments for:			
Depreciation and amortization	*4,5*	**1 961 923**	1 566 284
Allowance for trade and other accounts receivable	*17*	**11 929**	11 733
Loss on disposal of property, plant and equipment	*17*	**22 230**	24 079
VAT written off	*17*	**27 896**	18 857
Interest income	*18*	**(70 740)**	(62 494)
Other finance income	*18*	**(4 299)**	(3 018)
Interest expense	*18*	**172 700**	258 070
Other finance costs	*18*	**31 176**	22 692
Interest expense on lease liability	*18,5*	**809 134**	726 701
Changes in fair value of biological assets and agricultural produce	*6*	**(2 303 191)**	(2 604 164)
Disposal of revaluation in agricultural produce in the cost of revenues	*14*	**2 379 818**	2 504 786
Recovery of assets previously written off		**-**	(39 406)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	*18*	**11 876**	8 193
Foreign exchange (gain)/loss		**(82 211)**	203 955
Working capital adjustments:			
Increase in inventories		**(1 935 096)**	(3 184 963)
Increase in trade and other receivables		**(526 228)**	(875 831)
Decrease in biological assets due to other changes		**671 483**	329 900
Increase in trade and other payables		**40 898**	231 896
Income taxes paid		**(540 519)**	(300 570)
Cash flows provided by operating activities		**3 600 817**	1 389 420
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(1 670 821)**	(609 188)
Proceeds from disposal of property, plant and equipment		**2 574**	18 456
Interest received	*18*	**70 740**	62 494
Cash deposits placement		**(6 100)**	(3 518)
Cash deposits withdrawal		**8 518**	6 878
Cash flows used in investing activities		**(1 595 089)**	(524 878)
Financing activities			
Proceeds from loans and borrowings	*11*	**4 629 732**	4 014 297
Repayment of loans and borrowings	*11*	**(5 200 346)**	(3 000 405)
Dividends paid		**(492 625)**	-
Payment of lease liabilities	*5*	**(463 528)**	(235 671)
Payment of interest on lease liabilities	*5*	**(796 914)**	(726 701)
Interest paid		**(178 112)**	(236 853)
Cash flows used in financing activities		**(2 501 793)**	(185 333)
Net (decrease)/increase in cash and cash equivalents		**(496 065)**	679 209
Cash and cash equivalents as at 1 January		**1 018 898**	356 869
Currency translation difference		**37 066**	(17 180)
Cash and cash equivalents as at 31 December		**559 899**	1 018 898

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	*Notes*	2023	2022
Operating activities			
Profit before tax		73 793	75 323
Adjustments for:			
Depreciation and amortization	*4,5*	49 591	45 702
Allowance for trade and other accounts receivable	*17*	302	364
Loss on disposal of property, plant and equipment	*17*	562	747
VAT written off	*17*	706	585
Interest income	*18*	(1 793)	(1 778)
Other finance income	*18*	(109)	(86)
Interest expense	*18*	4 377	7 344
Other finance costs	*18*	790	646
Interest expense on lease liability	*18,5*	20 461	21 497
Changes in fair value of biological assets and agricultural produce	*6*	(57 945)	(77 223)
Disposal of revaluation in agricultural produce in the cost of revenues	*14*	60 219	73 073
Recovery of assets previously written off		-	(1 223)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	*18*	301	233
Foreign exchange (gain)/loss		(2 082)	5 931
Working capital adjustments:			
Increase in inventories		(48 913)	(93 688)
Increase in trade and other receivables		(13 301)	(25 763)
Decrease in biological assets due to other changes		16 973	9 704
Increase in trade and other payables		1 034	6 821
Income taxes paid		(13 663)	(8 841)
Cash flows provided by operating activities		91 303	39 368
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(42 233)	(17 920)
Proceeds from disposal of property, plant and equipment		65	543
Interest received	*18*	1 793	1 778
Cash deposits placement		(154)	(103)
Cash deposits withdrawal		215	202
Cash flows used in investing activities		(40 314)	(15 500)
Financing activities			
Proceeds from loans and borrowings	*11*	117 025	118 084
Repayment of loans and borrowings	*11*	(131 448)	(88 259)
Dividends paid		(12 125)	-
Payment of lease liabilities	*5*	(11 399)	(6 812)
Payment of interest on lease liabilities	*5*	(20 461)	(21 497)
Interest paid		(4 502)	(6 967)
Cash flows used in financing activities		(62 910)	(5 451)
Net (decrease)/increase in cash and cash equivalents		(11 921)	18 417
Cash and cash equivalents as at 1 January		26 158	11 541
Currency translation difference		(972)	(3 800)
Cash and cash equivalents as at 31 December		13 265	26 158

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
As at 31 December 2021	1 663	369 798	13 096 200	1 521 501	(137 875)	459 821	15 311 108
Net profit	-	-	2 191 350	-	-	-	2 191 350
Increase of revaluation reserve, net of tax	-	-	-	1 544 165	-	-	1 544 165
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(2 146)	-	-	(2 146)
Translation difference	-	-	-	-	-	(17 182)	(17 182)
Total other comprehensive income/(loss), net of tax	-	-	-	1 542 019	-	(17 182)	1 524 837
Total comprehensive income/(loss)	-	-	2 191 350	1 542 019	-	(17 182)	3 716 187
Share-based incentive plans	-	-	29 155	-	-	-	29 155
Realisation of revaluation surplus, net of tax	-	-	252 673	(252 673)	-	-	-
As at 31 December 2022	**1 663**	**369 798**	**15 569 378**	**2 810 847**	**(137 875)**	**442 639**	**19 056 450**
Net profit	-	-	**2 452 806**	-	-	-	**2 452 806**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	**94**	-	-	**94**
Translation difference	-	-	-	-	-	**37 065**	**37 065**
Total other comprehensive income, net of tax	-	-	-	**94**	-	**37 065**	**37 159**
Total comprehensive income	-	-	**2 452 806**	**94**	-	**37 065**	**2 489 965**
Distribution of dividends	-	-	**(492 625)**	-	-	-	**(492 625)**
Share-based incentive plans	-	-	**(30 085)**	-	**30 085**	-	-
Realisation of revaluation surplus, net of tax	-	-	**565 746**	**(565 746)**	-	-	-
As at 31 December 2023	**1 663**	**369 798**	**18 065 220**	**2 245 195**	**(107 790)**	**479 704**	**21 053 790**

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Attributable to equity holders of the parent company

(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
As at 31 December 2021	250	55 638	650 995	68 922	(6 103)	(274 560)	495 142
Net profit	-	-	65 164	-	-	-	65 164
Increase of revaluation reserve, net of tax	-	-	-	39 644	-	-	39 644
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(63)	-	-	(63)
Translation difference	-	-	-	-	-	(111 506)	(111 506)
Total other comprehensive income/(loss), net of tax	-	-	-	39 581	-	(111 506)	(71 925)
Total comprehensive income/(loss)	-	-	65 164	39 581	-	(111 506)	(6 761)
Share-based incentive plans	-	-	858	-	-	-	858
Realisation of revaluation surplus, net of tax	-	-	11 446	(11 446)	-	-	-
As at 31 December 2022	**250**	**55 638**	**728 463**	**97 057**	**(6 103)**	**(386 066)**	**489 239**
Net profit	-	-	61 903	-	-	-	61 903
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	2	-	-	2
Translation difference	-	-	-	-	-	(40 208)	(40 208)
Total other comprehensive income/(loss), net of tax	-	-	-	2	-	(40 208)	(40 206)
Total comprehensive income/(loss)	-	-	61 903	2	-	(40 208)	21 697
Distribution of dividends	-	-	(12 125)	-	-	-	(12 125)
Share-based incentive plans	-	-	(778)	-	778	-	-
Realisation of revaluation surplus, net of tax	-	-	19 535	(19 535)	-	-	-
As at 31 December 2023	**250**	**55 638**	**796 998**	**77 524**	**(5 325)**	**(426 274)**	**498 811**

The notes on pages 118 to 171 are an integral part of these consolidated financial statements.

1. BACKGROUND

a) *Organisation and operations*

These consolidated financial statements are prepared by ASTARTA HOLDING PLC (the "Company"), the Company is a Cyprus public limited company and registered under the Cyprus Companies Law, Cap. 113. The Company was incorporated as ASTARTA Holding N.V. in Amsterdam, the Netherlands, on 9 June 2006.

On 06 April 2022 the Board of Directors of ASTARTA Holding N.V. adopted a resolution on the approval of the proposal of the Board to convert ASTARTA Holding N.V., a public limited company (naamloze vennootschap) governed by Dutch law, into ASTARTA HOLDING PLC, a public limited company governed by Cyprus Companies Law, Cap. 113, i.e. by way of a cross-border migration of the registered office of the Company without its dissolution or liquidation followed by its subsequent reregistration in accordance with Cyprus Companies Law, Cap. 113.

On 16 June 2022 conversion proposal was approved on Annual General meeting of shareholders.

With effect from 16 September 2022, the Company's registered office and corporate domicile was transferred to Cyprus and the Company is registered in the Registrar of Companies in Cyprus.

On and from 16 September 2022, the Company's legal address is Lampousas 1, 1095, Nicosia, Cyprus.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA HOLDING PLC. After the contribution, ASTARTA HOLDING PLC owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.99% of the capital of LLC Firm "Astarta-Kyiv" (Astarta-Kyiv) registered in Ukraine, which in turn controls a number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred to as the "Group" or "Astarta").

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, crop growing, soybean processing and cattle farming. The croplands, sugar and soybean processing plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Zhytomyr, Ternopil and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet and soybeans processed are also grown in-house.

The number of employees were presented as follows:

	2023	2022
operating personnel	5 726	5 181
administrative personnel	1 064	1 013
sales personnel	409	363
non-operating personnel	34	34
Total number of employees	7 233	6 591

b) *Ukrainian business environment*

The events which led to the annexation of Crimea by the Russian Federation in February 2014 and the conflict in the East of Ukraine which started in spring 2014 have not been resolved to date. On 24 February 2022 the Russian Federation started full-scale military invasion of Ukraine. Following that the Ukrainian government introduced a martial law throughout Ukraine.

Under martial law the National Bank of Ukraine ("NBU") introduced a range of temporary restrictions that had impact on the economic environment, such as restriction of cross-border payments in foreign currency, fixing the official exchange rate for USD for the period from 24 February 2022 till 3 October 2023 at 29,25-36,57 UAH per 1 USD, suspending debit transactions from the accounts of residents of the state that carried out an armed aggression against Ukraine. Since 3 October 2023 the NBU has shifted to the regime of managed flexibility of the exchange rate for USD. On 15 December 2023 the NBU decreased the refinancing rate from 16% to 15%. These measures were designed to preserve the stability of the Ukrainian financial system, support the Armed Forces of Ukraine and functioning of critical infrastructure.

Inflation picked up ahead of the military invasion and continued to unfold after the Russian invasion of Ukraine on 24 February 2022. Food and fuel experienced the highest spikes due to surging demand and disruptions in supply chains. Disrupted logistics and higher production costs along with increase in global energy prices continues to fuel inflation in Ukraine.

Following the Russian invasion of Ukraine the transportation of goods by Black and Azov seas is partly limited. Transportation of goods continued only by railways and trucks.

The Ukrainian government took various measures to support agricultural operations in Ukraine. The government approved a mechanism of state guarantees for the loans to small and medium-sized farmers.

Ukraine's economic growth depends upon resolving the Russian invasion of Ukraine, successful implementation of necessary reforms the recovery strategy by the Ukrainian government and cooperation with international donors.

The long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

The ongoing political and economic uncertainties persist due to the Russian military invasion of Ukraine in February 2022 and they continue to affect the Ukrainian economy and the Group's business.

2. BASIS OF PREPARATION

a) *Statement of compliance*

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and the requirements of the Cyprus Companies Law Cap. 113. The material accounting policies applied in the preparation of these consolidated financial statements are set in Note 3 or in the separate Notes to these consolidated financial statements. The consolidated financial statements were authorized by the Board of Directors on 15 April 2024.

b) *Going Concern*

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the government of Ukraine and corresponding introduction of the related temporary restrictions that impact the economic environment. Considering the above, Astarta has assessed the going concern assumption based on which the financial statements have been prepared.

Geographical diversification of the Group's assets' location allows it to keep most of the assets apart from the regions under intense military hostilities. The assets of the Group are located in the Central part of Ukraine (the Poltava region), the Northern part of Ukraine (the Chernihiv region), the East (the Kharkiv region) and the Western part (the Khmelnytskyi, Vinnytsya, Zhytomyr and Ternopil regions). As at the date of the issue of these consolidated financial statements:

- intensive military hostilities have been localized in the regions, where Astarta does not operate its key assets;
- no critical assets preventing the Group from continuing operations have been damaged;
- no material assets have been lost or located on uncontrolled territories.

Agricultural subsidiaries of the Group perform maintenance operations and are ready for the start of spring planting.

In 2023 the Group operated all its sugar plants, production cycle is finished in January 2024 and produced sugar is in stock. The processing of sugar beets from 2022/23 agricultural season was continuing in January 2024 due to adverse weather conditions for harvesting of sugar beet. The Group plans to operate all of its sugar plants in 2024 production season.

As of the date of the issue of these consolidated financial statements, the soybean processing plant operated at its normal crushing capacity.

The management of the Group expects to continue shipments of the goods to local buyers and to nearby EU countries. In-house agricultural and office IT solutions allow Astarta to support business processes remotely under current conditions if needed. However, in case of any disruption to centralized systems, all operating subsidiaries can operate autonomously.

Astarta continues to sell crops, sugar, milk and soybean crushing products on the domestic market as well as expanding export operations. During 2023, the export through the Black Sea ports was partially renewed and the

Group exported grain to various countries via sea transportation routes. The Group also realises export sales via railway and using trucks for sugar and soybean products.

The Group has required storage capacities to take and keep the future harvest. As of today, the main remaining issue is logistics and its cost. Export is possible for all types of commodities.

Astarta is not trading with the entities on the Ukrainian, EU and US sanctions lists or entities associated with the individuals under those sanctions.

As at 31 December 2023 the Group was in compliance with covenants on its loans. The Group does not foresee the breach of covenants during 2024. As at 31 December 2023 management also prepared the forecast of covenants up until and covering Q1 2025. Based on this, management expects that the Group will be able to meet the covenants for the upcoming 12 months from the date of these financial statements with considerable headroom for the contracted ratios. In management's view, the sustainability of headroom will be ensured through the stable level of external long-term debt Amid further improvement of market conditions, there is a surplus of sugar on the domestic market and Ukrainian sugar producers can freely trade with EU markets at European prices since the EU lifted import duties on sugar for Ukraine. The higher sugar prices also will positively affect 2024 financial results given the current Group's stocks of sugar. Stable level of external long-term debt will be maintained through the servicing of existing debt as per initial loan schedules. Management does not intend to attract additional long-term financing in 2024. During 2023, the Group successfully repaid significant portion of its short-term debt. As at 31 December 2023, The Group had EUR 183 million of undrawn bank facilities available.

As of the date of these consolidated financial statements, condition and safety of the Group's assets are not significantly affected by the military invasion by the Russian Federation and the operating, logistic processes were reassessed by the Group to ensure continuity of its business, as described above. Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared a 12 months budget from the date of these consolidated financial statements based on the assumption that the degree of intensity of military hostilities in the regions where the Group's assets are located and the area of the Ukrainian territory currently invaded by the Russian troops is not largely increased; the Group is able to carry out sowing and harvesting of crops; the Group is able to continue deliver its goods domestically and for export combining different means of transportation available; it will be possible to operate sugar processing plants after harvesting sugar beet in 2024/25; the Group will be able to obtain export licenses for some of its agricultural products.

While the Group's operations were not largely impacted so far and management prepared its 12 months budget based on the known facts and events, there is a significant uncertainty over the future development of the Russian armed intervention, its duration and short and long-term impact on the Group, its assets, employees and operations. There might be multiple scenarios of further development with unknown likelihood, and the magnitude of the impact on the Group might vary from significant to severe. This represents a single source of material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Management is frequently assessing the current situation and making appropriate adjustments to its business operations to mitigate any affects on the Group. Based on these and other steps the Group is taking, management concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

c) Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023. Subsidiaries are those investees that are controlled by the Group. Control is achieved as the Group exercises, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investees.

As at 31 December 2023 ASTARTA HOLDING PLC owns shares, directly and indirectly, in a number of subsidiaries with the following percentage of ownership:

			31 December 2023	31 December 2022
Name of Subsidiaries:	Activity	Place of business, country	% of ownership	% of ownership
Ancor Investments Ltd	Trade and investment activities	Cyprus	100,00%	100,00%
Astarta Trading Ltd *	Trade	Cyprus	100,00%	0,00%
LLC Firm “Astarta-Kyiv”	Asset management	Ukraine	99,99%	99,99%
LLC “APO “Tsukrovyk Poltavshchyny”	Sugar production	Ukraine	99,73%	99,73%
LLC “Agricultural company “Dovzhenko”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Agro Trade”	Trade	Ukraine	99,99%	99,99%
LLC “Agricultural company “Dobrobut”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Musievske” **	Agricultural	Ukraine	0,00%	99,99%
LLC “Globinskiy processing factory”	Soybean processing	Ukraine	99,99%	99,99%
LLC “IIC “Poltavazernoproduct”	Agricultural	Ukraine	99,99%	99,99%
LLC “List-Ruchky”	Agricultural	Ukraine	74,99%	74,99%
LLC “Agropromgaz”	Trade	Ukraine	99,97%	99,97%
LLC “Khmilnitske”	Agricultural	Ukraine	99,99%	99,99%
LLC “Volochysk-Agro”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Astarta Prykhorollia”	Agricultural	Ukraine	99,99%	99,99%
ALLC “Nika”	Agricultural	Ukraine	99,99%	99,99%
LLC “Zhytnytsya Podillya”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Service”	Service	Ukraine	99,99%	99,99%
LLC "Tsukoragroprom"	Sugar production	Ukraine	99,99%	99,99%
LLC "Zerno-Agrotrade"	Storage and trade	Ukraine	99,99%	99,99%
LLC "Novoorzhytskiy sugar plant"	Sugar production	Ukraine	99,99%	99,99%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	Ukraine	99,99%	99,99%
PE "TMG"	Agricultural	Ukraine	99,99%	99,99%
LLC "Eco Energy Ukraine"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agri Chain"	Research and development	Ukraine	99,99%	99,99%
LLC “Narkevichy sugar plant”	Sugar production	Ukraine	99,99%	99,99%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine	99,99%	99,99%
Astarta Trading GmbH	Trade	Switzerland	100,00%	100,00%
LLC “Astarta Invest Service”	Land management	Ukraine	99,99%	99,99%
LLC “Astarta Agro Protein”	Soybean processing	Ukraine	99,99%	99,99%
LLC “Podil Agricultural Traditions”	Agricultural	Ukraine	99,99%	99,99%
LLC “Chernihiv Eko Plus”	Agricultural	Ukraine	99,99%	99,99%
LLC “Chernihiv Agricultural Traditions”	Agricultural	Ukraine	99,99%	99,99%

Place of business of all subsidiaries has not changed since previous year.

* In February 2023 a new subsidiary ASTARTA TRADING LTD was incorporated under the Company Law, Cap. 113 as a limited liability company and registered in Nicosia, Cyprus.

** As at 30 June 2023 LLC “Agricultural company “Musievske” was merged with LLC “Agricultural company “Astarta Prykhorollia”.

d) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings, constructions and machinery and equipment classified as property, plant and equipment accounted under revaluation model, biological assets at fair value less estimated costs to sell and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

e) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealised gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

f) Net assets attributable to non-controlling participants in limited liability companies

Substantially all the Group's subsidiaries are Ukrainian limited liability companies. Under Ukrainian law, a participant in a limited liability company may unilaterally withdraw from the company. In such case, the company is obliged to pay the withdrawing participant's a share of the net assets of the company not later than in 12 months from the date of the withdrawal. Redemption amount of participant's a share of the net assets of the company is assessed based on market value of net assets. Since the non-controlling participants in limited liability companies did not announce their intentions to withdraw, their interest was recognised as a non-current liability. Limited liability company's non-controlling participants' share in the net profit/loss is recorded as a finance expense.

g) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Swiss and Cypriot subsidiaries is Euro (EUR). The operating subsidiaries registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH, which is a primary presentation currency, and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realise or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purpose of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries are translated from UAH to EUR using the official closing rates at each reporting date. Components of equity are translated at the historic rate. Annual realisation of revaluation surplus is translated at historical rate. Income and expense items are translated at the average exchange rates for the quarter, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Disclosure line items are translated using annual weighted average official exchange rate. For translation of UAH figures into EUR figures for the cash flow statement the Group uses average UAH/EUR exchange rate. For the purposes of presenting financial information in UAH, assets and liabilities of the subsidiaries for which functional currency in EUR are translated from EUR to UAH using the official closing rates at each reporting date and income and expenses are translated at the official spot rates at the date of transaction.

Translation differences arising, if any, are recognised in other comprehensive income and accumulated in the Currency translation reserve.

The principal Ukrainian Hryvnia ("UAH") exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate	
	2023	2022	31 December 2023	31 December 2022
EUR	39.56	34.00	42.21	38.95
USD	36.58	32.37	37.98	36.57

h) Critical accounting estimates and judgements in applying accounting policies

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital risk management — Note 10
- Sensitivity analyses disclosures
  - fair value of biological assets — Note 6
  - impairment of property, plant and equipment and right-of-use assets — Note 4,5

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the following financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment of property, plant and equipment and right-of-use assets

The Group and its subsidiaries are required to perform impairment tests for their assets or cash-generating units when there is indication that an asset or a cash-generating unit ("CGU") may be impaired. As of 31 December 2023, impairment test was performed.

For the purpose of impairment testing, the Group identified four cash-generating units (CGUs): sugar, agricultural, soybean processing and cattle, which includes all classes of property, plant and equipment carried at fair value and at cost model and right of use assets allocated to the CGU. One of the determining factors in identifying a cash-generating unit is the ability to measure independent cash flows for that unit. Within the Group's identified cash-generating units a significant proportion of their output is input to another cash-generating unit. Therefore, judgement is needed in determining a cash-generating unit.

Impairment testing is performed based on value-in-use calculation using the cash flow projection not exceeding the five-year period. Cash flow projection is based on the extrapolated actual data approved by the Group's Budget Committee, comprising CFO, CEO, Commercial Director, Head of Agricultural Production and Head of Processing of the Group and for the subsequent years - on the extrapolated forecasts based on the consumer price index.

The most recent detailed calculations of impairment for all CGUs were performed as of 31 December 2023. Key assumptions made and reasonably possible changes in these assumptions are disclosed in Note 4. Judgement is required to determine principal assumptions made and the impact on the aggregate value-in-use calculation.

Fair value of biological assets

Due to the absence of an active market, the fair value of biological assets is estimated as the net present value the cash flows expected to be generated from the assets discounted at a current market-determined rate based on WACC with asset-specific adjustments. The fair value of biological assets is determined by the Group's own agricultural, sales and financial reporting experts based on production technological cards for each type of biological assets, following year's budget approved by the Group's Budget Committee and future market prices and economic outlooks. Key estimates and assumptions involved in the valuation apart from the discount rate are crop and milk yields, prices for crops, milk and meat and remaining production costs for crops and milk, and sensitivities to those are disclosed in Note 7. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement.

The Group's business by nature is highly susceptible to weather conditions planting and harvesting as well as during the time when crops are growing. Unexpected changes in weather conditions can impact the costs of production and the yields of crops, used in estimating the fair value of the biological assets, and ultimately have a significant impact on the Group's financial results. The Group continuously monitors forecasts and is taking necessary actions to minimise impact.

Fair value of agricultural produce

Management estimates the fair value of agricultural produce by reference to quoted prices in an active market. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement. In addition, costs to sell at the point of harvest are estimated and deducted from the fair value. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting. A 10% increase or decrease in crops prices as at point of harvest in 2023 would result in an increase or decrease in the value of agriculture produce of UAH 315,519 thousand (EUR 7,445 thousand) as at 31 December 2023 (31 December 2022: UAH 315,316 thousand (EUR 8,095 thousand). Potential increase or decrease in crops' price determined at the point of harvest for crops sold during the year does not impact the Group's operating profit.

Lease liabilities

Management uses the following estimates for land lease liabilities calculation:

- lease rate;
- discount rate;
- lease term.

The Group includes into lease payments used in the measurement of the land lease liability the total amount of actual variable lease payments that comprise the lease rate that vary with changes in market lease rates. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets. A 10% increase or decrease in lease payments as at 31 December 2023 would result in an increase or decrease in lease liabilities of UAH 496,316 thousand (EUR 11,759 thousand), (31 December 2022: UAH 425,121 thousand (EUR 10,914 thousand).

The lease payments are discounted using the incremental borrowing rate since the interest rate implicit in the lease could not be determined. A 10 p.p. increase in discount rate at 31 December 2023 would result in a decrease in lease liabilities of UAH 222,673 thousand (EUR 5,276 thousand), (31 December 2022: UAH 201,697 thousand (EUR 5,178 thousand). A 10 p.p. decrease in discount rate at 31 December 2023 would result in an increase in lease liabilities of UAH 244,087 thousand (EUR 5,783 thousand), (31 December 2022: UAH 219,982 thousand (EUR 5,648 thousand).

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the land lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension option is considered exercisable by the Group and is included in the measurement of assets and liabilities arising from warehouse and office premises lease. The lease term for the office premises is considered as 15 years and for the warehouses as 3 years as at each reporting date. For land lease the Group has considered an extension option as not exercisable as the long-term tenure of contracts best represents reasonably certain period of lease supported by the past history of termination of the lease agreements and expected pattern of use for the land leases.

Depreciation

Management estimates are necessary to identify the useful lives of property, plant and equipment. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and an estimated period during which the assets are expected to earn benefits for the Group. Were the estimated useful lives differ by 10% from the management's estimates, the impact on depreciation for the year ended 31 December 2023 would have to increase the latter by UAH 118,456 thousand (EUR 2,994 thousand), (31 December 2022: UAH 79,266 thousand (EUR 2,332 thousand) or decrease by UAH 103,951 thousand (EUR 2,628 thousand), (31 December 2022: UAH 76,542 thousand (EUR 2,252 thousand).

3. MATERIAL ACCOUNTING POLICY INFORMATION

The following material accounting policy information are applied in the preparation of the consolidated financial statements:

a) *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency of each entity at the official foreign exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate valid at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate valid at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign exchange differences arising from translation are recognised in the income statement.

b) *Property, plant and equipment*

Owned assets

Buildings and constructions held for production, selling and distribution or administrative purposes, machinery and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and constructions, machinery and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. The revaluations are carried out by independent appraisers.

A revaluation increase on property is recognised in other comprehensive income, except to the extent that it reverses a previous impairment recognised in the income statement. An impairment of property is recognised in the income statement, except to the extent that it reverses a previous revaluation increase recognised through other comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the buildings, and machinery and equipment sold is transferred to retained earnings.

Vehicles and other items of property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Group; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate part of production overheads.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

Uninstalled equipment comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in the construction.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in the accounting estimate.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Depreciation commences when the item of property, plant and equipment is available for use. Land, assets under construction and uninstalled equipment are not depreciated.

The estimated initial useful lives are as follows:

Buildings	Up to 50 years
Constructions	Up to 50 years
Machinery and equipment	Up to 20 years
Vehicles	Up to 10 years
Other property, plant and equipment	Up to 30 years

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss. Impairment losses are recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment

In respect of property, plant and equipment, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may be decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognised.

c) Leases

The Group is a party to lease contracts as a lessee for, among others:

- land plots;
- building for office space and warehouses.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	1 to 49
Buildings	1 to 15

The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate as of the commencement date of the contract. The lease liability is measured subsequently at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate and when there is a change in the Group's assessment of whether it will exercise extension or termination option.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The Group has applied the cost model to right-of-use assets. The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and other lease that have a term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

d) Biological assets

The Group classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets is included in the income statement line “Changes in fair value of biological assets and agricultural produce”. The Group classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

e) Agricultural produce

The Group classifies harvested crops as agricultural produce. Agricultural produce is carried in the statement of financial position at lower of cost (equal to fair value at the point of harvest less cost to sell, which is considered to be the cost at that date) or net realisable value. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest is included in the income statement line “Changes in fair value of biological assets and agricultural produce”.

f) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognised as biological assets held at fair value less cost to sell.

g) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity date of three months or less and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. For details refer to Note 3(h).

i) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at acquired cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

j) Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group measures ECL and recognises net impairment losses on trade accounts receivable at each reporting date. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivable. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to current and macroeconomic information on macroeconomic factors affecting the ability of the customers to settle the receivables.

At each reporting date, the Group assesses whether trade accounts receivable carried at amortised cost are credit-impaired. A trade account receivable is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the trade account receivable have occurred.

Evidence that a trade account receivable is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

k) *Earnings per share*

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

l) *Additional paid-in capital*

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

m) *Currency translation reserve*

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies.

n) *Loans and borrowings*

Loans and borrowings are recognised initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the income statement over the period of the borrowings using effective interest rate method.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

o) *Trade accounts payable*

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

p) *Taxes*

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in the statement of other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group's income is subject to taxation in Ukraine, Cyprus, Switzerland. In 2023, the Ukrainian corporate income tax (CIT) was levied at a rate of 18%. 18 subsidiaries of the Group were subject to the CIT in Ukraine for the year ended 31 December 2023 (2022:16 subsidiaries).

In 2023, the tax rate in Cyprus was 12.5% (2022: 12,5%). For the Swiss subsidiary the tax rate was 12,5% (2022: 12,5%).

Simplified taxation system (Group IV)

In accordance with the Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as single tax payers of Group IV, provided that sales of agricultural goods of their own production accounted for more than 75% of their gross revenues for the preceding year.

The single tax of Group IV is paid in lieu of corporate income tax, land tax and duties for special use of water sources. The amount of single tax of Group IV payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer. Single tax of Group IV is expensed as incurred.

Value added tax

VAT rates applicable for the Group's transactions in Ukraine where the substantial part of the Group operations are concentrated, are as follows: 20% and 14% on domestic sales and 0% on export of goods. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and for domestic operations arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer; for export operations arises on the date of customs clearance of exported goods. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. For domestic and export operations rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods are received.

Where provision has been made for impairment of trade receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT. VAT assets recoverable in cash from the State are included into Group's assets. All other VAT assets and liabilities are netted only within the individual companies of the Group.

Deferred tax

Deferred tax is determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:
- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

q) Revenue

Revenue is income arising in the course of the Group's ordinary activities. Revenue from sales of goods is recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from contracts with customers is recognised in the amount of transaction price net of discounts, returns and value added taxes, export duties, other similar mandatory payments. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Generally, sales are made with a credit term, which is consistent with the market practice and consequently trade receivables are classified as current assets. A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due (Note 8).

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Contract liabilities are included in other liabilities and accounts payable line item as advances from customers (Note 12).

r) Expenses

Expenses are accounted for on an accrual basis.

s) Finance cost and income

Finance costs comprise interest expenses on loans and borrowings and foreign exchange difference. All interest and other costs incurred in connection with borrowings are expensed using the effective interest method.

Finance income comprises mostly interest income on bank deposits. Interest income is recognised using the effective interest rate method.

Borrowing costs consist of interest expense and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period in which they occur

t) New and amended standards and interpretations adopted

The following amended standards became effective from 1 January 2023, but did not have any material impact on the Group:

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017);
- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020);
- Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021);
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021);
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021);
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021).

Based on amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies the Group has updated its accounting policies based on new requirements and using the materiality concept. These amendments did not have any impact on the amounts recognised in prior periods and do not significantly affect the current or future periods.

u) New and amended standards and interpretations not yet adopted

The Group has not adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024:

	Effective for annual period beginning on or after in EU
Amendments to existing standards and interpretations	
• Amendments to IAS 1 Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and • Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).	1 January 2024
• Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and applicable for annual periods beginning on or after 1 January 2024)	1 January 2024
• Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023)	Not yet endorsed by EU
• Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	Not yet endorsed by EU

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment in 2023 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2023	1 543 662	2 678 906	2 947 817	203 815	258 415	261 416	7 894 031
Additions	-	-	-	-	-	1 610 878	1 610 878
Disposals	(3 199)	(5 485)	(9 878)	(6 114)	(4 803)	-	(29 479)
Transfer from not installed equipment	35 601	65 567	804 208	18 487	29 304	(953 167)	-
31 December 2023	1 576 064	2 738 988	3 742 147	216 188	282 916	919 127	9 475 430
Accumulated depreciation 1 January 2023	-	-	-	121 307	167 199	-	288 506
Depreciation charge	133 442	197 673	802 947	22 638	17 211	-	1 173 911
Disposals	(283)	(403)	(3 715)	(7 418)	(6 089)	-	(17 908)
31 December 2023	133 159	197 270	799 232	136 527	178 321	-	1 444 509
Net book value 31 December 2023	1 442 905	2 541 718	2 942 915	79 661	104 595	919 127	8 030 921

(in thousands of Euros)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2023	39 631	68 776	75 680	5 233	6 634	6 711	202 665
Additions	-	-	-	-	-	40 718	40 718
Disposals	(81)	(139)	(250)	(155)	(121)	-	(746)
Transfer from not installed equipment	900	1 657	20 328	467	741	(24 093)	-
Currency translation difference	(3 110)	(5 401)	(7 098)	(423)	(551)	(1 560)	(18 143)
31 December 2023	37 340	64 893	88 660	5 122	6 703	21 776	224 494
Accumulated depreciation 1 January 2023	-	-	-	3 114	4 293	-	7 407
Depreciation charge	3 373	4 997	20 296	572	435	-	29 673
Disposals	(7)	(10)	(94)	(188)	(154)	-	(453)
Currency translation difference	(211)	(313)	(1 266)	(263)	(350)	-	(2 403)
31 December 2023	3 155	4 674	18 936	3 235	4 224	-	34 224
Net book value 31 December 2023	34 185	60 219	69 724	1 887	2 479	21 776	190 270

The movements of property, plant and equipment in 2022 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2022	1 781 648	2 560 227	4 421 735	269 225	182 113	156 869	9 371 817
Additions	-	-	-	-	-	587 217	587 217
Disposals	(13 615)	(6 331)	(29 946)	(13 971)	(4 927)	-	(68 790)
Impairment	(11 361)	(5 542)	(24 808)	-	-	-	(41 711)
Elimination of depreciation	(382 277)	(573 209)	(2 825 242)	-	-	-	(3 780 728)
Fixed assets revaluation	218 326	601 508	925 275	-	-	-	1 745 109
Reversal of impairment of property, plant and equipment, net	10 126	9 940	61 051	-	-	-	81 117
Transfer from not installed equipment	20 258	72 892	368 587	12 707	8 226	(482 670)	-
Transfer between Groups	(79 443)	19 421	51 165	(64 146)	73 003	-	-
31 December 2022	1 543 662	2 678 906	2 947 817	203 815	258 415	261 416	7 894 031
Accumulated depreciation 1 January 2022	314 004	423 341	2 208 225	133 632	143 057	-	3 222 259
Depreciation charge	90 282	127 605	617 489	22 836	21 772	-	879 984
Disposals	(4 028)	(1 207)	(16 021)	(6 679)	(5 074)	-	(33 009)
Decrease due to elimination of depreciation	(382 277)	(573 209)	(2 825 242)	-	-	-	(3 780 728)
Transfer between Groups	(17 981)	23 470	15 549	(28 482)	7 444	-	-
31 December 2022	-	-	-	121 307	167 199	-	288 506
Net book value 31 December 2022	1 543 662	2 678 906	2 947 817	82 508	91 216	261 416	7 605 525

(in thousands of Euros)	Buildings	Construction	Machines and equipment	Vehicles	Other	Not installed equipment	Total
Cost of valuation 1 January 2022	57 616	82 795	142 994	8 706	5 889	5 073	303 073
Additions	-	-	-	-	-	17 273	17 273
Disposals	(400)	(186)	(881)	(411)	(145)	-	(2 023)
Impairment	(317)	(155)	(693)	-	-	-	(1 165)
Elimination of depreciation	(9 814)	(14 716)	(72 533)	-	-	-	(97 063)
Fixed assets revaluation	5 605	15 443	23 755	-	-	-	44 803
Transfer from not installed equipment	596	2 144	10 842	374	242	(14 198)	-
Reversal of impairment of property, plant and equipment, net	283	277	1 704	-	-	-	2 264
Transfer between Groups	(2 336)	571	1 505	(1 887)	2 147	-	-
Currency translation difference	(11 602)	(17 397)	(31 013)	(1 549)	(1 499)	(1 437)	(64 497)
31 December 2022	39 631	68 776	75 680	5 233	6 634	6 711	202 665
Accumulated depreciation 1 January 2022	10 155	13 690	71 412	4 321	4 626	-	104 204
Depreciation charge	2 656	3 754	18 164	672	640	-	25 886
Disposals	(118)	(36)	(471)	(196)	(149)	-	(970)
Decrease due to elimination of depreciation	(9 814)	(14 716)	(72 533)	-	-	-	(97 063)
Transfer between Groups	(528)	690	457	(838)	219	-	-
Currency translation difference	(2 351)	(3 382)	(17 029)	(845)	(1 043)	-	(24 650)
31 December 2022	-	-	-	3 114	4 293	-	7 407
Net book value 31 December 2022	39 631	68 776	75 680	2 119	2 341	6 711	195 258

As at 31 December 2022 the valuation of the Group's buildings, constructions, machinery and equipment was performed by an independent appraiser in accordance with International Valuation Standards.

Impairment test – Assumptions and their sensitivity

Impairment test performed for agricultural and cattle segments. There are no indicators of impairment for sugar and soybean segments.

The key assumptions used for impairment testing are: discount rates, selling prices and cost of production. Discount rates were estimated based on the weighted average cost of capital and comprised:

- Agricultural CGU: 24.37% p.a. for a five-year period and 17.97% in the terminal period;
- Cattle CGU: 24.37% p.a. for a five year period and 17.97% in the terminal period.

The discount rates in the terminal period are real discount rates (i.e. excluding the impact of inflation).

Production volume was estimated based on current production level according to the annual budget approved by the senior management. Potential increase in land, crop yields, number of cows or milk yields were not taken into account. Cost of production was estimated based on budgeted costs for the following year inflated by expected level of inflation, taking into account higher or lower inflation levels for costs directly or indirectly pegged to USD or specific indices. When determining selling prices the Group analysed available forecasts for export and domestic markets, including supply and demand forecasts. The following selling prices for five-year period were used (exchange rate for EUR as 31 December 2023 used for translation):

- Wheat – UAH 5,436 – UAH 6,065 per tonne (EUR 129 - EUR 144)

- Corn – UAH 4,165– UAH 4,663 per tonne (EUR 99 - EUR 111)
- Soybeans – UAH 14,833 – UAH 17,858 per tonne (EUR 351– EUR 423)
- Milk – UAH 15,688 – UAH 18,384 per tonne (EUR 372 – EUR 436)

For each CGU the identified recoverable amount determined with value-in-use model exceeded its carrying value as at 31 December 2023. The sensitivity analysis for key assumptions considers the impact of reasonably possible changes in key assumptions on the carrying value of CGU at the end of the reporting period. Increase in discount rate by 1%, decrease in price by 10% and increase in cost by 10% have an impact on carrying value of CGU and respective impairment and/or decrease of revaluation reverse at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change of the carrying value of CGU as it is unlikely that changes in assumptions would occur in isolation of one another.

Decrease in carrying value of CGU and respective impairment and/or decrease of revaluation reverse:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	Agriculture	*Cattle*	*Agriculture*	*Cattle*
Increase in discount rate by 1%	-	-	-	-
Decrease in price by 10%	4 205 100	554 816	99 628	13 145
Increase in cost by 10%	2 479 259	345 814	58 739	8 193

The carrying amounts of CGUs subject to impairment testing in 2023 comprise of the following: property, plant and equipment of cattle CGU amounting to UAH 607,248 or EUR 14,386 thousand, property, plant and equipment of agricultural CGU amounting to UAH 3,987,841 thousand or EUR 94,476 thousand and right of use assets amounting to UAH 4,296, 946 thousand or EUR 101,799 thousand.

Impairment test conducted as at 31 December 2023 indicated that in the cattle segment recoverable amount is UAH 2,796,879 thousand or EUR 66,264 thousand and exceeds its total carrying amount by UAH 644,239 thousand or EUR 15,263 thousand, and the agriculture segment recoverable amount is UAH 14,808,984 thousand or EUR 350,858 thousand and exceeds its total carrying amount by UAH 1,157,462 thousand or EUR 27,423 thousand.

Impairment of individual items of property, plant and equipment

A revaluation increase on property is recognised directly in other comprehensive income, except to the extent that it reverses a previous revaluation decrease recognised in the income statement. A revaluation decrease on property is recognised in the income statement as impairment, except to the extent that it reverses a previous revaluation increase recognised directly in other comprehensive income. In 2023 impairment or reversal of individual items of property, plant and equipment amount to nil (as at 31 December 2022 the reversal of impairment of property, plant and equipment of UAH 39,406 thousand (EUR 1,100 thousand) was recognised within other operating expense).

Other matters

As at 31 December 2023, the carrying amount of the following classes of property, plant and equipment that would have been included in the consolidated financial statements had the buildings been carried at cost less any accumulated depreciation and any accumulated impairment losses was UAH 676,306 thousand or EUR 16,023 thousand (2022: UAH 689,037 thousand or EUR 17,690 thousand), machinery and equipment was UAH 2,304,065 thousand or EUR 54,588 thousand (2022: 1,920,892 thousand or EUR 49,316 thousand) and construction was UAH 1,702,090 thousand or EUR 40,326 thousand (2022: UAH 1,748,847 thousand or EUR 44,899 thousand).

In 2023 revaluation surplus of UAH 565,746 thousand or EUR 14,300 thousand (2022: UAH 252,673 thousand or EUR 7,433 thousand) was reclassified from revaluation reserve to retained earnings because it was realised through depreciation or disposal of the revalued items of property, plant and equipment.

For carrying values of property, plant and equipment pledged to secure bank loans please refer to Note 11.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

i. Amounts recognised in the consolidated statement of financial position

The balance sheet shows the following amounts relating to leases:

(in thousands of Ukrainian hryvnias)	31 December 2023	31 December 2022
Right-of-use assets		
Land	4 296 946	3 570 759
Office premises	206 869	226 956
Warehouse	18 435	1 513
Total right-of-use assets	4 522 250	3 799 228
Lease liabilities		
Non-current	3 631 278	3 110 170
Current portion	1 331 884	1 141 038
Total right-of-use liabilities	4 963 162	4 251 208

(in thousands of Euros)	31 December 2023	31 December 2022
Right-of-use assets		
Land	101 804	91 673
Office premises	4 901	5 827
Warehouse	437	39
Total right-of-use assets	107 142	97 539
Lease liabilities		
Non-current	86 033	79 848
Current portion	31 555	29 294
Total right-of-use liabilities	117 588	109 142

Movements for the right-of-use assets during the 2023 financial year were the following:

(in thousands of Ukrainian hryvnias)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2022	5 809 092	273 597	2 211	6 084 900
Accumulated depreciation	(2 238 333)	(46 641)	(698)	(2 285 672)
Net book value as at 31 December 2022	**3 570 759**	**226 956**	**1 513**	**3 799 228**
Additions to the right-of-use assets	1 516 186	5 749	24 365	1 546 300
Depreciation	(736 221)	(21 930)	(6 088)	(764 239)
Other changes	-	1 355	(1 355)	-
Disposals(1)	(53 778)	(5 261)	-	(59 039)
Cost of the right-of-use assets	*(321 387)*	*(8 435)*	*(77)*	*(329 899)*
Accumulated depreciation	*267 609*	*3 174*	*77*	*270 860*
Cost as at 31 December 2023	7 003 891	272 964	24 446	7 301 301
Accumulated depreciation	(2 706 945)	(66 095)	(6 011)	(2 779 051)
Net book value as at 31 December 2023	**4 296 946**	**206 869**	**18 435**	**4 522 250**

(in thousands of Euros)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2022	149 138	7 024	57	156 219
Accumulated depreciation	(57 465)	(1 197)	(18)	(58 680)
Net book value as at 31 December 2022	**91 673**	**5 827**	**39**	**97 539**
Additions to the right-of-use assets	38 324	145	616	39 085
Depreciation	(18 609)	(554)	(154)	(19 317)
Other changes	-	34	(34)	-
Currency translation differences	(8 224)	(418)	(30)	(8 672)
Disposals(1)	(1 360)	(133)	-	(1 493)
Cost of the right-of-use assets	*(8 124)*	*(213)*	*(2)*	*(8 339)*
Accumulated depreciation	*6 764*	*80*	*2*	*6 846*
Cost as at 31 December 2023	165 938	6 467	579	172 984
Accumulated depreciation	(64 134)	(1 566)	(142)	(65 842)
Net book value as at 31 December 2023	**101 804**	**4 901**	**437**	**107 142**

Movements for the right-of-use assets during the 2022 financial year were the following:

(in thousands of Ukrainian hryvnias)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2021	5 203 841	203 785	2 604	5 410 230
Accumulated depreciation	(1 760 154)	(29 275)	(1 078)	(1 790 507)
Net book value as at 31 December 2021	**3 443 687**	**174 510**	**1 526**	**3 619 723**
Additions to the right-of-use assets	829 301	71 397	1 962	902 660
Depreciation	(642 450)	(18 453)	(2 119)	(663 022)
Disposals(1)	(59 779)	(498)	144	(60 133)
Cost of the right-of-use assets	*(224 050)*	*(1 585)*	*(2 355)*	*(227 990)*
Accumulated depreciation	*164 271*	*1 087*	*2 499*	*167 857*
Cost as at 31 December 2022	5 809 092	273 597	2 211	6 084 900
Accumulated depreciation	(2 238 333)	(46 641)	(698)	(2 285 672)
Net book value as at 31 December 2022	**3 570 759**	**226 956**	**1 513**	**3 799 228**

(in thousands of Euros)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2021	168 286	6 590	84	174 960
Accumulated depreciation	(56 920)	(947)	(35)	(57 902)
Net book value as at 31 December 2021	**111 366**	**5 643**	**49**	**117 058**
Additions to the right-of-use assets	24 395	2 100	58	26 553
Depreciation	(19 051)	(540)	(60)	(19 651)
Currency translation differences	(23 278)	(1 361)	(13)	(24 652)
Disposals(1)	(1 759)	(15)	5	(1 769)
Cost of the right-of-use assets	*(6 591)*	*(47)*	*(69)*	*(6 707)*
Accumulated depreciation	*4 832*	*32*	*74*	*4 938*
Cost as at 31 December 2022	149 138	7 024	57	156 219
Accumulated depreciation	(57 465)	(1 197)	(18)	(58 680)
Net book value as at 31 December 2022	**91 673**	**5 827**	**39**	**97 539**

(1) For the year ended 31 December 2023 and 2022 the line item Disposal presented the result of cost and accumulated depreciation set off due to expiration or early termination of land lease agreements in 2023 and 2022 respectively.

Movements for the lease liabilities during the 2023 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2022	2 879 339	230 734	97	3 110 170
Current portion of lease liabilities at 31 December 2022	1 086 771	52 915	1 352	1 141 038
Total liabilities as at 31 December 2022	**3 966 110**	**283 649**	**1 449**	**4 251 208**
Additions to the lease liabilities	1 242 275	5 276	24 365	1 271 916
Interest expense on lease liability	750 493	57 426	1 215	809 134
Payment of lease liabilities	(456 300)	(2 195)	(5 033)	(463 528)
Payment of interest on lease liabilities	(750 493)	(45 206)	(1 215)	(796 914)
Payment in kind	(104 005)	-	-	(104 005)
Disposals	(1 022)	(4 912)	-	(5 934)
Other changes	-	2 563	(1 278)	1 285
Non-current lease liabilities at 31 December 2023	3 390 175	241 103	-	3 631 278
Current portion of lease liabilities at 31 December 2023	1 256 883	55 498	19 503	1 331 884
Total liabilities as at 31 December 2023	**4 647 058**	**296 601**	**19 503**	**4 963 162**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2022	73 922	5 924	2	79 848
Current portion of lease liabilities at 31 December 2022	27 900	1 359	35	29 294
Total liabilities as at 31 December 2022	**101 822**	**7 283**	**37**	**109 142**
Additions to the lease liabilities	31 401	133	616	32 150
Interest expense on lease liability	18 978	1 452	31	20 461
Payment of lease liabilities	(11 221)	(54)	(124)	(11 399)
Payment of interest on lease liabilities	(19 269)	(1 161)	(31)	(20 461)
Payment in kind	(2 629)	-	-	(2 629)
Disposals	(26)	(124)	-	(150)
Other changes	-	65	(32)	33
Currency translation differences	(8 957)	(567)	(35)	(9 559)
Non-current lease liabilities at 31 December 2023	80 321	5 712	-	86 033
Current portion of lease liabilities at 31 December 2023	29 778	1 315	462	31 555
Total liabilities as at 31 December 2023	**110 099**	**7 027**	**462**	**117 588**

Movements for the lease liabilities during the 2022 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2021	2 679 447	170 821	233	2 850 501
Current portion of lease liabilities at 31 December 2021	982 826	38 332	1 763	1 022 921
Total liabilities as at 31 December 2021	**3 662 273**	**209 153**	**1 996**	**3 873 422**
Additions to the lease liabilities	748 086	70 673	1 963	820 722
Interest expense on lease liability	678 968	47 671	62	726 701
Payment of lease liabilities	(232 619)	(542)	(2 510)	(235 671)
Payment of interest on lease liabilities	(678 968)	(47 671)	(62)	(726 701)
Payment in kind	(151 778)	-	-	(151 778)
Disposals	(59 709)	(544)	-	(60 253)
Other changes	(143)	4 909	-	4 766
Non-current lease liabilities at 31 December 2022	2 879 339	230 734	97	3 110 170
Current portion of lease liabilities at 31 December 2022	1 086 771	52 915	1 352	1 141 038
Total liabilities as at 31 December 2022	**3 966 110**	**283 649**	**1 449**	**4 251 208**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2021	86 650	5 524	8	92 182
Current portion of lease liabilities at 31 December 2021	31 783	1 240	57	33 080
Total liabilities as at 31 December 2021	**118 433**	**6 764**	**65**	**125 262**
Additions to the lease liabilities	22 006	2 079	58	24 143
Interest expense on lease liability	20 085	1 410	2	21 497
Payment of lease liabilities	(6 723)	(16)	(73)	(6 812)
Payment of interest on lease liabilities	(20 085)	(1 410)	(2)	(21 497)
Payment in kind	(4 387)	-	-	(4 387)
Disposals	(1 756)	(16)	-	(1 772)
Other changes	(4)	144	-	140
Currency translation differences	(25 747)	(1 672)	(13)	(27 432)
Non-current lease liabilities at 31 December 2022	73 922	5 924	2	79 848
Current portion of lease liabilities at 31 December 2022	27 900	1 359	35	29 294
Total liabilities as at 31 December 2022	**101 822**	**7 283**	**37**	**109 142**

ii. Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	Notes	2023	2022	2023	2022
Depreciation charge of right-of-use assets					
Land		736 221	642 450	18 609	19 051
Office premises		21 930	18 453	554	540
Warehouse		6 088	2 119	154	60
Total depreciation charge of right-of-use assets		**764 239**	**663 022**	**19 317**	**19 651**
Interest expense on lease liabilities (cost of disposal included)	*18*	809 134	726 701	20 461	21 497
Expenses relating to short-term leases (included in operating expense)		16 540	16 101	416	477
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		41 609	46 026	1 047	1 365

The total settlement for leases for 2023 was UAH 1,364,447 thousand or EUR 34,489 thousand (2022: UAH 1,114,150 thousand or EUR 32,696 thousand). The total amount settled in cash for 2023 was UAH 1,260,442 thousand or EUR 31,860 thousand (2022: UAH 962,372 thousand or EUR 28,309 thousand), including cash outflow for land lease in the amount of UAH 1,206,793 thousand or EUR 30,490 thousand (2022: UAH 911,587 thousand or EUR 26,808 thousand) and is classified as the financing activities in the consolidated statement of cash flows. The amount settled in kind with agricultural produce for 2023 was UAH 104,005 thousand or EUR 2,629 thousand (2022: UAH 151,778 thousand or EUR 4,387 thousand). Transfer of agricultural produce is accounted as sale and then the respective account receivables and lease liabilities are settled. Sales amount of agricultural produce is estimated on the basis of market price.

iii. The group's leasing activities

The Group leases land, office premises and warehouses for operating activities. Land lease contracts are typically made for fixed periods of 1 to 49 years. Warehouse lease contracts are typically made for fixed periods less than 12 months, management considers usage period for some warehouses of 3 years, other premises are used by the Group for current storage of finished goods and the Group has no intention to extend the lease. Lease payment associated with a short-term lease are recognised as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants and leased assets may not be used as security for borrowing purposes.

6. BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of nine months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

The following inputs and assumptions were made to determine the fair value of biological assets:

- The revenue from the crops' sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle the revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter
- The average productive life of a cow is determined based on internal statistical information
- Prices for grains, oilseeds, milk and meat are obtained from market sources as at the end of the reporting period
- Production and costs to sell are projected based on actual operating costs
- Growth in sales prices as well as in production expenses and costs to sell is assumed to be in line with forecasted consumer price index for grains, oilseeds, milk and meat in Ukraine
- The pre-tax discount rate is applied in determining the fair value of biological assets. The discount rate is based on the weighted average cost of capital at the reporting date.

The key assumptions represent management's assessment of future trends in agriculture and cattle farming business and are based on both external and internal sources of data.

The significant inputs used in the fair value measurement of the crops are as follows:

- Discount rate (24.4%) (2022: 31.2%)
- Average yields of crops: 6.0 tonnes per hectare for winter wheat, 3.5 tonnes per hectare for rapeseeds, 10.8 tonnes per hectare for corn (2022: 5.7 tonnes per hectare for winter wheat, 3.3 tonnes per hectare for rapeseeds, 55 tonnes per hectare for sugar beet, 9.3 tonnes per hectare for corn)
- Prices of crops: UAH 5,407 per tonne for winter wheat, UAH 14,106 per tonne for rapeseeds, UAH 3,876 per tonne for corn (2022: UAH 6,600 per tonne for winter wheat, UAH 18,400 per tonne for rapeseeds, UAH 1,550 per tonne for sugar beet, UAH 5,590 per tonne for corn)

The significant inputs used in the fair value measurement of the cattle are as follows:

- Discount rate (24.4%) (2022: 31.2%)
- Milk prices (UAH 14.89 per litre) (2022: UAH 13.84 per litre)
- Milk yield per day (26.84 litres) (2022: 24.54 litres)

Significant increases or decreases in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. An increase in the discount rate leads to a decrease in the fair value, whereas increase in prices and yields leads to an increase in fair values.

As at 31 December biological assets comprise the following groups:

(Amounts in thousands of Ukrainian hryvnias)	31 December 2023		31 December 2022	
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**27 055**	**1 545 318**	24 453	1 166 938
Other livestock		**73**		80
Total non-current biological assets		**1 545 391**		1 167 018
Current biological assets				
Crops:	**Hectares**		**Hectares**	
Sugar beet	-	-	169	14 383
Corn	**1 692**	**48 301**	14 012	501 286
Winter wheat	**48 998**	**451 757**	42 842	474 485
Rapeseeds	**11 940**	**238 454**	13 798	294 030
Total current biological assets	**62 630**	**738 512**	70 821	1 284 184
Total biological assets		**2 283 903**		2 451 202

(Amounts in thousands of Euros)	31 December 2023		31 December 2022	
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**27 055**	**36 612**	24 453	29 960
Other livestock		**2**		2
Total non-current biological assets		**36 614**		29 962
Current biological assets				
Crops:	**Hectares**		**Hectares**	
Sugar beet	-	-	169	369
Corn	**1 692**	**1 144**	14 012	12 869
Winter wheat	**48 998**	**10 703**	42 842	12 182
Rapeseeds	**11 940**	**5 650**	13 798	7 549
Total current biological assets	**62 630**	**17 497**	70 821	32 969
Total biological assets		**54 111**		62 931

The information about the output of agricultural products during the period, natural losses were not deducted:

(in tonns)	**2023**	**2022**
Sugar beet	**2 233 301**	1 820 239
Corn	**200 854**	342 298
Winter wheat	**271 391**	264 549
Milk	**114 905**	102 211
Sunflower	**82 858**	91 740
Soy	**169 071**	116 605
Rapeseeds	**56 266**	18 730
Barley	**512**	730

The following table represents the changes during the years ended 31 December in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	Non-current livestock	Crops	Total
As at 1 January 2022	856 658	1 281 360	2 138 018
Investments into livestock and future crops	73 748	4 732 108	4 805 856
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	236 612	2 367 552	2 604 164
Decrease due to harvest	-	(7 096 836)	(7 096 836)
As at 31 December 2022	**1 167 018**	**1 284 184**	**2 451 202**
Investments into livestock and future crops	**140 755**	**6 219 215**	**6 359 970**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**237 618**	**2 065 573**	**2 303 191**
Decrease due to harvest	**-**	**(8 830 460)**	**(8 830 460)**
As at 31 December 2023	**1 545 391**	**738 512**	**2 283 903**

(in thousands of Euros)	Non-current livestock	Crops	Total
As at 1 January 2022	27 703	41 438	69 141
Investments into livestock and future crops	2 151	138 050	140 201
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	7 016	70 207	77 223
Decrease due to harvest	-	(210 447)	(210 447)
Currency translation difference	(6 908)	(6 279)	(13 187)
As at 31 December 2022	**29 962**	**32 969**	**62 931**
Investments into livestock and future crops	**3 561**	**157 348**	**160 909**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**5 978**	**51 967**	**57 945**
Decrease due to harvest	**-**	**(222 162)**	**(222 162)**
Currency translation difference	**(2 887)**	**(2 625)**	**(5 512)**
As at 31 December 2023	**36 614**	**17 497**	**54 111**

Changes in key assumptions used to estimate the fair value of biological assets would have the following effect on the fair value of biological assets and on earnings per share:

	2023			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	427 471	10 128	17,6	0,42
10% decrease in prices for milk	(427 471)	(10 128)	(17,6)	(0,42)
10% increase in milk yield	129 035	3 057	5,3	0,13
10% decrease in milk yield	(129 035)	(3 057)	(5,3)	(0,13)
10% increase in prices for crops	216 932	5 140	8,9	0,21
10% decrease in prices for crops	(216 932)	(5 140)	(8,9)	(0,21)
10% increase in yield for crops	216 932	5 140	8,9	0,21
10% decrease in yield for crops	(216 932)	(5 140)	(8,9)	(0,21)
10% increase in production costs until harvest	(115 187)	(2 729)	(4,7)	(0,11)
10% decrease in production costs until harvest	115 187	2 729	4,7	0,11
5% increase in annual consumer price index	536 056	12 700	22,1	0,52
5% decrease in annual consumer price index	(481 470)	(11 407)	(19,8)	(0,47)
1% increase in discount rate	(32 429)	(768)	(1,3)	(0,03)
1% decrease in discount rate	33 526	794	1,4	0,03

	2022			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	326 987	8 395	13,5	0,35
10% decrease in prices for milk	(326 987)	(8 395)	(13,5)	(0,35)
10% increase in milk yield	100 755	2 587	4,1	0,11
10% decrease in milk yield	(100 755)	(2 587)	(4,1)	(0,11)
10% increase in prices for crops	257 520	6 611	10,6	0,27
10% decrease in prices for crops	(257 520)	(6 611)	(10,6)	(0,27)
10% increase in yield for crops	257 520	6 611	10,6	0,27
10% decrease in yield for crops	(257 520)	(6 611)	(10,6)	(0,27)
10% increase in production costs until harvest	(129 101)	(3 314)	(5,3)	(0,14)
10% decrease in production costs until harvest	129 101	3 314	5,3	0,14
5% increase in annual consumer price index	412 630	10 594	17,0	0,44
5% decrease in annual consumer price index	(370 145)	(9 503)	(15,2)	(0,39)
1% increase in discount rate	(27 259)	(700)	(1,1)	(0,03)
1% decrease in discount rate	27 868	715	1,1	0,03

The sensitivity analyses above have been determined as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the fair value of biological assets as it is unlikely that changes in assumptions would occur in isolation of one another.

For the financial risk management regarding biological assets refer to the section Material risk factors and threats to the Group of the Directors' report.

7. INVENTORIES

Inventories as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Finished goods:				
Sugar products	**4 257 624**	3 737 933	**100 872**	95 965
Agricultural produce	**3 174 065**	3 153 161	**75 200**	80 952
Soybean processing	**210 942**	255 915	**4 998**	6 570
Cattle farming	**1 764**	1 638	**42**	42
Total finished goods	**7 644 395**	7 148 647	**181 112**	183 529
Raw materials and consumables for:				
Agricultural produce	**799 784**	631 564	**18 949**	16 214
Sugar production	**719 922**	124 359	**17 057**	3 193
Cattle farming	**282 240**	268 799	**6 687**	6 901
Consumables for joint utilization	**173 628**	257 994	**4 114**	6 624
Other production	**40 640**	55 254	**963**	1 419
Total raw material and consumables	**2 016 214**	1 337 970	**47 770**	34 351
Investments into future crops	**1 099 825**	1 023 537	**26 057**	26 276
Total inventories	**10 760 434**	9 510 154	**254 939**	244 156

For carrying value of inventories pledged to secure bank loans refer to Note 11.

8. TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable, and prepayments as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Long-term receivables and prepayments				
Advances to suppliers	**8 009**	6 074	**189**	156
Other long-term receivables	**2 135**	1 881	**51**	48
Total long-term receivables and prepayments	**10 144**	7 955	**240**	204
Current accounts receivable and prepayments				
Trade receivables	**1 695 849**	944 922	**40 178**	24 259
Less credit loss allowance	**(42 372)**	(39 409)	**(1 004)**	(1 012)
Total trade receivable	**1 653 477**	905 513	**39 174**	23 247
Prepayments and other non-financial assets:				
VAT recoverable and prepaid	**1 728 062**	1 843 422	**40 942**	47 328
Advances to suppliers	**427 069**	420 214	**10 118**	10 788
Less allowance	**(106 265)**	(98 581)	**(2 518)**	(2 531)
Total prepayments and other non-financial assets	**2 048 866**	2 165 055	**48 542**	55 585
Other financial assets:				
Government bonds	**51 955**	60 906	**1 231**	1 564
Other receivables	**17 714**	12 829	**420**	329
Less credit loss allowance	**(5 709)**	(5 501)	**(135)**	(141)
Total other financial assets	**63 960**	68 234	**1 516**	1 752
Total current accounts receivable and prepayments	**2 112 826**	2 233 289	**50 058**	57 337
Total trade and other accounts receivable	**3 766 303**	3 138 802	**89 232**	80 584

During the year ended 31 December 2023 the Group received VAT budget refund in cash amounting to UAH 964,769 thousand or EUR 24,386 thousand (2022: UAH 108,341 thousand or EUR 3,187 thousand).

Changes in credit loss allowances for trade and other accounts receivable during the year ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Balance as at 1 January	**44 910**	39 777	**1 153**	1 287
Charge in income statement	**3 990**	5 538	**101**	172
Amounts written off	**(819)**	(405)	**(21)**	(12)
Currency translation difference	**-**	-	**(94)**	(294)
Balance as at 31 December	**48 081**	44 910	**1 139**	1 153

Changes in allowances for advances to suppliers during the year ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2 023	2 022	2 023	2 022
Balance as at 1 January	**98 581**	92 481	**2 531**	2 991
Charge in income statement	**7 939**	6 195	**201**	192
Amounts written off	**(255)**	(95)	**(6)**	(3)
Currency translation difference	**-**	-	**(208)**	(649)
Balance as at 31 December	**106 265**	98 581	**2 518**	2 531

The ageing of trade receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	Gross 2023	Lifetime ECL 2023	Gross 2022	Lifetime ECL 2022
Not past due	**1 548 008**	**(15 663)**	823 915	(8 328)
Past due 1-30 days	**96 658**	**(1 274)**	60 948	(1 106)
Past due 31-120 days	**24 926**	**(342)**	23 858	(817)
Past due 121-365 days	**3 944**	**(2 780)**	7 371	(328)
More than one year	**22 313**	**(22 313)**	28 830	(28 830)
Total trade receivables	**1 695 849**	**(42 372)**	944 922	(39 409)

(in thousands of Euros)	Gross 2023	Lifetime ECL 2023	Gross 2022	Lifetime ECL 2022
Not past due	**36 675**	**(371)**	21 152	(215)
Past due 1-30 days	**2 290**	**(30)**	1 565	(28)
Past due 31-120 days	**591**	**(8)**	613	(21)
Past due 121-365 days	**93**	**(66)**	189	(8)
More than one year	**529**	**(529)**	740	(740)
Total trade receivables	**40 178**	**(1 004)**	24 259	(1 012)

Trade receivables that are past due relate to customers with no recent history of significant indebtness or default and hence management considers the collection as probable.

The ageing of other receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	Gross 2023	Lifetime ECL 2023	Gross 2022	Lifetime ECL 2022
Not past due	12 170	(191)	7 079	(17)
Past due 1-30 days	12	-	21	(1)
Past due 31-120 days	14	-	735	(668)
Past due 121-365 days	-	-	2 260	(2 081)
More than one year	5 518	(5 518)	2 734	(2 734)
Total other receivables	17 714	(5 709)	12 829	(5 501)

(in thousands of Euros)	Gross 2023	Lifetime ECL 2023	Gross 2022	Lifetime ECL 2022
Not past due	289	(4)	181	-
Past due 1-30 days	-	-	1	-
Past due 31-120 days	-	-	19	(17)
Past due 121-365 days	-	-	58	(54)
More than one year	131	(131)	70	(70)
Total other receivables	420	(135)	329	(141)

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Cash in banks in USD	330 223	637 824	7 824	16 375
Cash in banks in UAH	161 863	372 506	3 834	9 563
Cash in banks in EUR	64 023	4 996	1 517	128
Cash in banks in PLN	3 643	3 352	86	86
Cash in banks in CHF	36	24	1	1
Total cash in banks	559 788	1 018 702	13 262	26 153
Cash on hand in UAH	111	196	3	5
Total cash and equivalents	559 899	1 018 898	13 265	26 158

As at 31 December 2023 and 31 December 2022, cash and cash equivalents consisted of current accounts in banks and overnight deposits. As at 31 December 2023 the weighted average interest of current accounts and overnight deposits denominated in USD was 0.0% p.a., in UAH – up to 10.44% p.a. (2022: USD 0.0% p.a., UAH up to 12.86% p.a.).

The identified impairment loss arising on short-term cash deposits and cash and cash equivalents was immaterial as at 31 December 2023 and 31 December 2022. There were no significant non-cash items during the years ended 31 December 2023 and 2022 except for in-kind settlement of lease liabilities (Note 5).

10. EQUITY

Share capital

ASTARTA HOLDING PLC has one class of common shares with par value of EUR 0.01. All shares have equal voting rights. The number of authorized shares as at 31 December 2023 was 30,000 thousand (2022: 30,000 thousand) and the number of issued and fully paid-up shares was 25,000 thousand (2022: 25,000 thousand).

Shareholders structure as at 31 December is as follows:

	2023	2022
ASTARTA HOLDING PLC		
Ivanchyk family	**40,26%**	**40,00%**
Fairfax Financial Holdings LTD and its subsidiaries	**29,91%**	**29,91%**
Other shareholders	**29,83%**	**30,09%**
Total	**100,00%**	**100,00%**

As of 31 December 2023, there were two major shareholders: the family of Mr.Viktor Ivanchyk (the Founder and CEO), who owned 40.26% or 10,064,902 of total voting shares outstanding (31 December 2022: 40.00% or 10,000,000 shares), and Fairfax Financial Holdings Ltd which owned 29.91% or 7,477,676 voting shares through its subsidiaries (31 December 2022: 29.91% or 7,477,676 shares).

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Net profit attributable to equity holders of the company	**2 452 806**	2 191 350	**61 903**	65 164
Weighted average basic shares outstanding (in thousands of shares)	**24 272**	24 250	**24 272**	24 250
Basic earnings per share attributable to shareholders of the company	**101,05**	90,36	**2,55**	2,69
Weighted average diluted shares outstanding (in thousands of shares)	**24 397**	24 588	**24 397**	24 588
Diluted earnings per share attributable to shareholders of the company	**100,54**	89,12	**2,54**	2,65

The long-term incentive plan issued to management and its partial settlement, as disclosed in Note 22, has a dilutive effect on calculation of weighted average number of shares and earnings per share.

On 24 May 2023 the Annual General Meeting of the Company declared a resolution to pay a distribution of EUR 0.50 per share on all ordinary shares in total amount of EUR 12,500 thousand. On 16 June 2023 dividends were paid for all shares except for treasury shares in amount of EUR 12,125 thousand.

Capital risk management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors seeks to maintain a balance between levels of borrowings and the capital position. The Group's capital management policy is to hold sufficient capital to cover the statutory requirements, including any additional amounts required by the regulator.

In order to achieve the overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in the absence of waivers from the bank, would permit the bank to immediately call loans and borrowings.

Consistent with its industry peers, the Group monitors capital on the basis of the gearing ratio. The objective is to maintain gearing ratio below 60%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities (including current and non-current portion as shown in the consolidated statement of financial position) less cash, cash equivalents and short-term deposits. Total capital is calculated by adding net debt to equity.

As at 31 December 2023 and as 31 December 2022, the gearing ratio was 24%. The gearing ratios at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Total borrowings (Note 5, 11)	**7 159 711**	6 953 987	**169 629**	178 531
Less cash, cash equivalents and short-term deposits	**(560 999)**	(1 022 416)	**(13 291)**	(26 248)
Net debt	**6 598 712**	5 931 571	**156 338**	152 283
Total equity	**21 053 790**	19 056 450	**498 811**	489 239
Total capital	**27 652 502**	24 988 021	**655 149**	641 522
Gearing ratio	**24%**	24%	**24%**	24%

There were no changes in the approach to capital management during the reporting period.

Dividend policy

The Company's policy is to pay dividends at a level consistent with the Group's growth and development plans, while maintaining a reasonable level of liquidity.

The dividend policy will, however, be reviewed from time to time and payment of any future dividends will be effectively at the discretion of the General Meeting of Shareholders by recommendation of the Board of Directors and after taking into account various factors including business prospects, future earnings, cash requirements, financial position, expansion plans and requirements of Cyprus law. In addition, payment of future dividends may only be made if shareholders' equity exceeds the sum of the paid-in share capital plus the reserves required to be maintained by law and by the Articles of Association. All shares carry equal dividend rights.

Treasury shares

As at 31 December 2023 the Group held 654,355 of treasury shares with the total cost of UAH 107,790 thousand (EUR 5,325 thousand). Based on the Company's Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company's shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023. As at 31 December 2022 the Group held 750,000 of treasury shares with the total cost of UAH 137,875 thousand (EUR 6,103 thousand).

11. LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to Note 21 for more information on exposure to interest rate, foreign currency risk and information on financial risk management.

Loans and borrowings as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Long-term loans and borrowings:				
Bank loans	**1 473 101**	650 303	**34 901**	16 696
Transaction costs	**(3 045)**	(2 561)	**(72)**	(66)
Total long-term loans and borrowings	**1 470 056**	647 742	**34 829**	16 630
Current portion of long-term loans and borrowings:				
Bank loans	**454 908**	305 759	**10 778**	7 850
Borrowings from non-financial institutions	**106 057**	127 803	**2 513**	3 281
Transaction costs	**(4 917)**	(2 444)	**(117)**	(63)
Total current portion of long-term loans and borrowings:	**556 048**	431 118	**13 174**	11 068
Short-term loans and borrowings:				
Bank loans	**170 445**	1 623 919	**4 038**	41 691
Total short-term loans and borrowings	**170 445**	1 623 919	**4 038**	41 691
Total loans and borrowings	**2 196 549**	2 702 779	**52 041**	69 389

The following table summarizes borrowings as of 31 December:

Currency	WAIR[1]	*(in thousands of Ukrainian hryvnias)* 2023	*(in thousands of Euros)* 2023
Short-term loans and borrowings and on demand:			
USD	**5,79%**	**169 790**	**4 023**
Interest payable		**655**	**15**
Total short-term loans and borrowings		**170 445**	**4 038**
Long-term loans and current portion of long-term loans and borrowings:			
USD	**7,10%**	**2 015 840**	**47 760**
Interest payable		**18 226**	**432**
Transaction costs		**(7 962)**	**(189)**
Total long-term loans and borrowings		**2 026 104**	**48 003**
Total loans and borrowings		**2 196 549**	**52 041**

Currency	WAIR[1]	*(in thousands of Ukrainian hryvnias)* 2022	*(in thousands of Euros)* 2022
Short-term loans and borrowings and on demand:			
USD	5,92%	484 607	12 441
UAH	19,09%	1 123 200	28 836
Interest payable		16 112	414
Total short-term loans and borrowings		1 623 919	41 691
Long-term loans and current portion of long-term loans and borrowings:			
USD	5,53%	1 073 300	27 555
Interest payable		10 565	272
Transaction costs		(5 005)	(129)
Total long-term loans and borrowings		1 078 860	27 698
Total loans and borrowings		2 702 779	69 389

[1] WAIR represents the effective weighted average interest rate on outstanding borrowings. Loans and borrowings of the Group are exposed to fixed and floating interest rates.

As of 31 December the Group's total bank borrowings were repayable as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Total current portion repayable in one year or on demand	**625 353**	1 929 678	**14 816**	49 541
Transaction costs	**(4 917)**	(2 444)	**(117)**	(63)
Borrowings from non-financial institutions	**106 057**	127 803	**2 513**	3 281
Total current portion repayable in one year or on demand	**726 493**	2 055 037	**17 212**	52 759
Due in the second year	**593 077**	294 603	**14 051**	7 564
Transaction costs	**(2 183)**	(1 674)	**(52)**	(43)
Total due in the second year	**590 894**	292 929	**13 999**	7 521
Due thereafter	**880 024**	355 700	**20 850**	9 132
Transaction costs	**(862)**	(887)	**(20)**	(23)
Total due thereafter	**879 162**	354 813	**20 830**	9 109
Total loans and borrowings	**2 196 549**	2 702 779	**52 041**	69 389

As at 31 December 2023, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 106,057 thousand (2022: UAH 127,803 thousand) or EUR 2,513 thousand (2022: EUR 3,281 thousand) bearing an interest of 4,0% p.a.

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities:

(in thousands of Ukrainian hryvnias)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2022	**2 574 976**	**127 803**	**2 702 779**
Changes from financing cash flows			
Proceeds from loans and borrowings	4 629 732	-	**4 629 732**
Repayment of loans and borrowings	(5 174 994)	(25 352)	**(5 200 346)**
Interest paid	(173 051)	(5 061)	**(178 112)**
Total changes from financing cash flows	**(718 313)**	**(30 413)**	**(748 726)**
The effect of changes in foreign exchange rates	**66 139**	**3 657**	**69 796**
Other changes related to liability			
Interest expense	167 690	5 010	**172 700**
Total liability-related other changes	**167 690**	**5 010**	**172 700**
Balance as at 31 December 2023	**2 090 492**	**106 057**	**2 196 549**

(in thousands of Euros)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2022	**66 108**	**3 281**	**69 389**
Changes from financing cash flows			
Proceeds from loans and borrowings	117 025	-	**117 025**
Repayment of loans and borrowings	(130 807)	(641)	**(131 448)**
Interest paid	(4 374)	(128)	**(4 502)**
Total changes from financing cash flows	**(18 156)**	**(769)**	**(18 925)**
The effect of changes in foreign exchange rates	**1 675**	**93**	**1 768**
Other changes related to liability			
Interest expense	4 250	127	**4 377**
Total liability-related other changes	**4 250**	**127**	**4 377**
Currency translation differences	(4 349)	(219)	**(4 568)**
Balance as at 31 December 2023	**49 528**	**2 513**	**52 041**

(in thousands of Ukrainian hryvnias)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2021	**1 094 625**	**95 413**	**1 190 038**
Changes from financing cash flows			
Proceeds from loans and borrowings	4 014 297	-	**4 014 297**
Repayment of loans and borrowings	(3 000 405)	-	**(3 000 405)**
Interest paid	(231 962)	(4 891)	**(236 853)**
Total changes from financing cash flows	**781 930**	**(4 891)**	**777 039**
The effect of changes in foreign exchange rates	**444 910**	**32 722**	**477 632**
Other changes related to liability			
Interest expense	253 511	4 559	**258 070**
Total liability-related other changes	**253 511**	**4 559**	**258 070**
Balance as at 31 December 2022	**2 574 976**	**127 803**	**2 702 779**

(in thousands of Euros)	Bank loans	Borrowings from non-financial institutions	Total
Balance as at 31 December 2021	**35 399**	**3 086**	**38 485**
Changes from financing cash flows			
Proceeds from loans and borrowings	118 084	-	**118 084**
Repayment of loans and borrowings	(88 259)	-	**(88 259)**
Interest paid	(6 823)	(144)	**(6 967)**
Total changes from financing cash flows	**23 002**	**(144)**	**22 858**
The effect of changes in foreign exchange rates	**12 938**	**952**	**13 890**
Other changes related to liability			
Interest expense	7 214	130	**7 344**
Total liability-related other changes	**7 214**	**130**	**7 344**
Currency translation differences	(12 445)	(743)	**(13 188)**
Balance as at 31 December 2022	**66 108**	**3 281**	**69 389**

Bank loans are secured as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Property, plant and equipment (Note 4)	**3 309 956**	2 925 684	**84 977**	75 112
Inventories (Note 7)	**226 128**	1 239 670	**5 805**	31 826
Short-term deposits	**1 100**	-	**28**	-
Total pledged assets	**3 537 184**	4 165 354	**90 810**	106 938

12. OTHER LIABILITIES AND ACCOUNTS PAYABLE

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Other liabilities:				
Advances received from customers	**110 111**	77 017	**2 609**	1 977
VAT payable	**180 497**	138 780	**4 276**	3 563
Total other liabilities	**290 608**	215 797	**6 885**	5 540
Other accounts payable:				
Accrual for annual bonuses	**210 421**	190 441	**4 985**	4 890
Accrual for unused vacations	**156 513**	104 228	**3 708**	2 677
Salaries payable	**68 129**	47 447	**1 614**	1 218
Other taxes and charges payable	**53 773**	50 524	**1 274**	1 298
Social insurance payable	**16 049**	11 300	**380**	290
Accounts payable for property, plant and equipment	**9 369**	5 956	**222**	153
Financial aid (Note 23)	-	52 840	-	1 357
Other payables	**79 345**	50 865	**1 881**	1 306
Total other accounts payable	**593 599**	513 601	**14 064**	13 189
Total other liabilities and accounts payable	**884 207**	729 398	**20 949**	18 729

13. REVENUES

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines. Revenues for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Sugar production	**7 877 871**	5 352 518	**199 452**	155 529
Crops*	**9 475 072**	6 204 730	**239 890**	180 292
Soybean processing products	**4 800 510**	4 194 708	**121 539**	121 886
Cattle farming	**1 682 536**	1 328 767	**42 598**	38 610
Other sales	**610 273**	473 281	**15 452**	13 753
Total revenues	**24 446 262**	17 554 004	**618 931**	510 070

* For the year ended 31 December 2023 includes revenue from corn and wheat delivery services in amount of UAH 659 110 thousand or EUR 16 687 thousand.

In 2023 47% of revenue was generated from sales to customers in Ukraine (2022: 46%).

14. COST OF REVENUES

Cost of revenues for the years ended 31 December by product is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Sugar production	**5 706 899**	3 890 877	**144 408**	113 510
Crops*	**7 111 547**	4 962 133	**179 951**	144 762
Soybean processing products	**3 415 906**	2 903 778	**86 436**	84 713
Cattle farming	**1 181 282**	921 701	**29 891**	26 889
Other sales	**498 018**	343 261	**12 603**	10 014
Total cost of revenues	**17 913 652**	13 021 750	**453 289**	379 888

* For the year ended 31 December 2023 includes cost of corn and wheat delivery services in amount of UAH 659 110 thousand or EUR 16 687 thousand.

The Group's costs include the following expenses:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Raw materials	**9 474 218**	6 446 996	**239 737**	188 080
Services	**2 827 246**	1 587 650	**71 541**	46 317
Depreciation and amortization costs	**1 801 052**	1 417 255	**45 574**	41 346
Salary	**1 170 396**	864 142	**29 616**	25 210
Salary related charges	**260 921**	200 921	**6 602**	5 862
Gain from agriculture produce remeasurement	**2 379 818**	2 504 786	**60 219**	73 073
	17 913 652	13 021 750	**453 289**	379 888

15. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Salary and related charges*	**862 018**	592 943	**21 784**	17 342
Professional services	**83 550**	70 384	**2 111**	2 059
Depreciation	**51 359**	76 964	**1 298**	2 251
Fuel and other materials	**22 338**	17 802	**565**	521
Taxes other than corporate income tax	**14 398**	13 758	**364**	402
Office expenses	**12 501**	11 051	**316**	323
Rent	**9 920**	8 842	**251**	259
Insurance	**8 190**	8 490	**207**	248
Other	**33 228**	24 218	**839**	708
Total general and administrative expenses	**1 097 502**	824 452	**27 735**	24 113

* For the year ended 31 December 2023 includes social contribution in amount of UAH 90,184 thousand or EUR 2,279 thousand (2022: UAH 69,362 thousand or EUR 2,029 thousand).

16. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Transportation	**2 346 939**	1 652 009	**59 529**	46 528
Storage and logistics	**774 922**	441 228	**19 656**	12 427
Salary and related charges *	**134 074**	123 620	**3 401**	3 482
Professional services	**67 444**	14 151	**1 711**	399
Depreciation	**60 743**	38 746	**1 541**	1 091
Fuel and other materials	**46 344**	30 614	**1 175**	862
Other	**23 088**	58 763	**585**	1 655
Total selling and distribution expenses	**3 453 554**	2 359 131	**87 598**	66 444

* For the year ended 31 December 2023 includes social contribution in amount of UAH 21,009 thousand or EUR 533 thousand (2022: UAH 19,449 thousand or EUR 548 thousand).

Significant changes in transportation routes and means of transportation due to a full-scale military invasion of Ukraine by russia lead to significant increase in transportation cost in 2023.

17. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Charity and social expenses	**188 375**	115 050	**4 764**	3 571
Other salary and related charges *	**182 615**	80 714	**4 619**	2 505
Depreciation	**48 769**	33 319	**1 233**	1 034
Penalties paid	**29 920**	19 777	**757**	614
VAT written off	**27 896**	18 857	**706**	585
Loss on disposal of property, plant and equipment	**22 230**	24 079	**562**	747
Allowance for trade and other accounts receivable	**11 929**	11 733	**302**	364
Reversal of impairment of property, plant and equipment	**-**	(39 406)	**-**	(1 223)
Other	**37 908**	25 123	**958**	780
Total other operating expenses	**549 642**	289 246	**13 901**	8 977

* For the year ended 31 December 2023 includes social contribution in amount of UAH 4,186 thousand or EUR 106 thousand (2022: UAH 3,100 thousand or EUR 96 thousand).

18. FINANCE COSTS AND INCOME

Finance (costs)/income for the years ended 31 December is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Finance costs				
Interest expense				
Bank loans	**(167 689)**	(253 511)	**(4 250)**	(7 214)
Borrowings from non-financial institutions	**(5 011)**	(4 559)	**(127)**	(130)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**(11 876)**	(8 193)	**(301)**	(233)
Interest expense on lease liability	**(809 134)**	(726 701)	**(20 461)**	(21 497)
Other finance costs	**(31 176)**	(22 692)	**(790)**	(646)
Total finance costs	**(1 024 886)**	(1 015 656)	**(25 929)**	(29 720)
Finance income				
Interest income	**70 740**	62 494	**1 793**	1 778
Other finance income	**4 299**	3 018	**109**	86
Total finance income	**75 039**	65 512	**1 902**	1 864

19. INCOME TAX EXPENSE

In 2023, 10 subsidiaries elected to pay a single tax of Group IV in lieu of other taxes (2022: 11 companies). Single tax of Group IV expense is included to cost of revenues. In 2023, 1 subsidiary used the simplified taxation system and is a single tax payer of Group III (2022: 3 companies). The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2022:18%), Dutch corporate income tax rate of 25%, Cypriot income tax rate of 12.5% and Switzerland income tax rate of 12,5%.

As at 31 December 2023 the Group has not recognised deferred tax asset of UAH 84,267 thousand or EUR 1,996 thousand (2022: UAH 41,875 thousand or EUR 1,075 thousand) in respect of tax losses carried forward originating on Ukrainian subsidiaries because realization of this asset is uncertain. There is no expiration period for these tax losses.

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Current tax expenses	**541 687**	397 035	**13 726**	11 162
Deferred tax benefit	**(72 455)**	(35 665)	**(1 836)**	(1 003)
Total income tax expense	**469 232**	361 370	**11 890**	10 159

A reconciliation between the expected and the actual income tax charge is provided below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Profit before tax	**2 922 038**	2 552 720	**73 793**	75 323
including:				
Profit attributable to companies not subject to income tax	**744 186**	930 070	**18 608**	29 706
Profit attributable to companies subject to income tax	**2 177 852**	1 622 650	**55 185**	45 617
Profit before tax	**2 177 852**	1 622 650	**55 185**	45 617
Income tax benefit/(expense) at statutory rate of 18%	**(392 013)**	(292 077)	**(9 933)**	(8 211)
Effects of different tax rates in other countries	**33 800**	12 864	**856**	362
Non-taxable income/(expense)	**(67 068)**	(115 245)	**(1 700)**	(3 240)
Previously unrecognised tax loss that is used to reduce tax expense	**2 822**	58 380	**72**	1 641
Unrecognised tax loss of current year	**(46 773)**	(24 980)	**(1 185)**	(702)
Derecognition of deferred tax asset due to changes in status of subsidiary	-	(312)	-	(9)
Income tax expense	**(469 232)**	(361 370)	**(11 890)**	(10 159)

Movements in temporary differences during the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31 December 2022	Recognized in OCI	Recognized in income statement	As at 31 December 2023
Deferred tax assets				
Property, plant and equipment - CIP	17 360	-	632	17 992
Inventories	1 651	-	(65)	1 586
Trade and other accounts receivable and prepayments	33 830	-	9 494	43 324
Offset of deferred tax assets and deferred tax liabilities	(42 034)	-	2 937	(39 097)
Total deferred tax assets	10 807	-	12 998	23 805
Deferred tax liabilities				
Property, plant and equipment	(336 834)	-	62 394	(274 440)
Offset of deferred tax assets and deferred tax liabilities	42 034	-	(2 937)	39 097
Total deferred tax liabilities	(294 800)	-	59 457	(235 343)

(in thousands of Euros)	As at 31 December 2022	Recognized in OCI	Recognized in income statement	Currency translation difference	As at 31 December 2023
Deferred tax assets					
Property, plant and equipment - CIP	446	-	16	(36)	426
Inventories	42	-	(2)	(2)	38
Trade and other accounts receivable and prepayments	869	-	241	(84)	1 026
Offset of deferred tax assets and deferred tax liabilities	(1 080)	-	74	80	(926)
Total deferred tax assets	277	-	329	(42)	564
Deferred tax liabilities					
Property, plant and equipment	(8 648)	-	1 581	565	(6 502)
Offset of deferred tax assets and deferred tax liabilities	1 080	-	(74)	(80)	926
Total deferred tax liabilities	(7 568)	-	1 507	485	(5 576)

(in thousands of Ukrainian hryvnias)	As at 31 December 2021	Recognised in OCI	Recognised in income statement	As at 31 December 2022
Deferred tax assets				
Property, plant and equipment - CIP	17 041	-	319	17 360
Inventories	1 657	-	(6)	1 651
Trade and other accounts receivable and prepayments	10 742	-	23 088	33 830
Offset of deferred tax assets and deferred tax liabilities	(22 511)	-	(19 523)	(42 034)
Total deferred tax assets	6 929	-	3 878	10 807
Deferred tax liabilities				
Property, plant and equipment	(148 155)	(200 943)	12 264	(336 834)
Offset of deferred tax assets and deferred tax liabilities	22 511	-	19 523	42 034
Total deferred tax liabilities	(125 644)	(200 943)	31 787	(294 800)

(in thousands of Euros)	As at 31 December 2021	Recognised in OCI	Recognised in income statement	Currency translation difference	As at 31 December 2022
Deferred tax assets					
Property, plant and equipment - CIP	551	-	9	(114)	446
Inventories	54	-	-	(12)	42
Trade and other accounts receivable and prepayments	347	-	649	(127)	869
Offset of deferred tax assets and deferred tax liabilities	(728)	-	(549)	197	(1 080)
Total deferred tax assets	224	-	109	(56)	277
Deferred tax liabilities					
Property, plant and equipment	(4 791)	(5 649)	345	1 447	(8 648)
Offset of deferred tax assets and deferred tax liabilities	728	-	549	(197)	1 080
Total deferred tax liabilities	(4 063)	(5 649)	894	1 250	(7 568)

As of 31 December 2023, deferred tax assets in the amount of UAH 23,805 thousand (EUR 564 thousand) are expected to be recovered or settled within twelve months after the reporting period (31 December 2022: UAH 10,807 thousand or EUR 277 thousand).

The Group does not recognize a deferred tax liability for all taxable temporary differences of UAH 18,914,722 thousand (EUR 448,132 thousand) associated with investments in subsidiaries as it is able to control the timing of the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

20. SEGMENT REPORTING

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

At 31 December 2023 and 2022, the group was organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar (sugar production);
- growing and selling of grain and oilseeds crops (agriculture);
- dairy cattle farming (cattle farming);
- soybean processing.

Other Group operations mainly comprise of the production and sales of fodder and natural gas. Neither of these constitutes a separately reportable operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the Board of Directors. Operating profit and net profit are the main measures of segment's profit or loss that the Group uses to evaluate performance and makes decisions about the allocation of resources.

All unallocated items relate to overall Group's operating activity and may not be allocated to the identified reporting segments.

Unallocated assets mainly represent assets relating to corporate function, assets jointly used by segments and certain financial assets. Liabilities not allocated to segments are items related to corporate functions and certain financial liabilities.

The segment information for the years ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from external customers	**7 877 871**	5 352 518	**9 475 072**	6 204 730	**1 682 536**	1 328 767	**4 800 510**	4 194 708	**610 273**	473 281	**24 446 262**	17 554 004
Inter-segment revenues	**-**	-	**5 108 319**	3 928 155	**-**	-	**-**	-	**-**	-	**5 108 319**	3 928 155
Cost of revenues	**(5 706 899)**	(3 890 877)	**(7 111 547)**	(4 962 133)	**(1 181 282)**	(921 701)	**(3 415 906)**	(2 903 778)	**(498 018)**	(343 261)	**(17 913 652)**	(13 021 750)
Inter-segment cost of revenues	**(3 541 839)**	(2 376 374)	**-**	-	**(742 486)**	(589 771)	**(823 994)**	(962 010)	**-**	-	**(5 108 319)**	(3 928 155)
Changes in fair value of biological assets and agricultural produce	**-**	-	**2 065 573**	2 367 552	**237 618**	236 612	**-**	-	**-**	-	**2 303 191**	2 604 164
Gross profit	**2 170 972**	1 461 641	**4 429 098**	3 610 149	**738 872**	643 678	**1 384 604**	1 290 930	**112 255**	130 020	**8 835 801**	7 136 418
General and administrative expense	**(284 684)**	(223 070)	**(655 956)**	(447 326)	**(63 460)**	(52 337)	**(33 360)**	(25 558)	**(60 042)**	(76 161)	**(1 097 502)**	(824 452)
Selling and distribution expense	**(622 265)**	(267 607)	**(2 465 865)**	(1 708 556)	**(16 391)**	(14 759)	**(305 124)**	(340 565)	**(43 909)**	(27 644)	**(3 453 554)**	(2 359 131)
Other operating (expense) income	**(57 854)**	12 237	**(190 967)**	(109 463)	**(22 101)**	(6 837)	**(10 415)**	(19 322)	**(212 153)**	(124 462)	**(493 490)**	(247 847)
Profit (loss) from operations	**1 206 169**	983 201	**1 116 310**	1 344 804	**636 920**	569 745	**1 035 705**	905 485	**(203 849)**	(98 247)	**3 791 255**	3 704 988
Interest expense on lease liability	**(34 944)**	(23 881)	**(716 764)**	(655 096)	**-**	-	**-**	-	**(57 426)**	(47 724)	**(809 134)**	(726 701)
Foreign currency exchange gain (loss)	**18 091**	(33 537)	**43 505**	(240 738)	**-**	-	**17 360**	53 388	**3 255**	16 932	**82 211**	(203 955)
Interest expense	**(40 346)**	(61 964)	**(114 758)**	(149 360)	**-**	-	**(17 593)**	(46 746)	**(3)**	-	**(172 700)**	(258 070)
Interest income	**-**	-	**-**	-	**-**	-	**-**	-	**70 740**	62 494	**70 740**	62 494
Other (expense) income	**-**	-	**-**	-	**-**	-	**-**	-	**(40 334)**	(26 036)	**(40 334)**	(26 036)
Profit (loss) before tax	**1 148 970**	863 819	**328 293**	299 610	**636 920**	569 745	**1 035 472**	912 127	**(227 617)**	(92 581)	**2 922 038**	2 552 720
Taxation	**-**	-	**-**	-	**-**	-	**-**	-	**(469 232)**	(361 370)	**(469 232)**	(361 370)
Net profit (loss)	**1 148 970**	863 819	**328 293**	299 610	**636 920**	569 745	**1 035 472**	912 127	**(696 849)**	(453 951)	**2 452 806**	2 191 350
Consolidated total assets	**7 656 627**	6 723 697	**16 434 402**	15 124 278	**2 529 445**	1 999 917	**1 891 641**	1 874 533	**1 467 006**	1 839 082	**29 979 121**	27 561 507
Consolidated total liabilities	**946 850**	1 344 111	**5 958 136**	5 936 602	**8 797**	4 169	**1 177 546**	320 055	**834 002**	900 120	**8 925 331**	8 505 057
Other segment information:												
Depreciation and amortisation	**343 662**	223 828	**1 408 922**	1 195 799	**100 647**	52 564	**67 160**	50 616	**41 532**	43 477	**1 961 923**	1 566 284
Additions to non-current assets:												
Property, plant and equipment	**431 834**	199 580	**349 271**	309 283	**197 884**	43 862	**553 209**	28 180	**78 680**	6 312	**1 610 878**	587 217
Intangible assets	**462**	458	**2 784**	2 661	**153**	335	**185**	95	**2 909**	1 056	**6 493**	4 605
Right-of-use asset	**89 449**	43 231	**1 451 102**	786 257	**-**	-	**-**	-	**5 749**	73 172	**1 546 300**	902 660

The segment information for the years ended 31 December is as follows:

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from external customers	199 452	155 529	239 890	180 292	42 598	38 610	121 539	121 886	15 452	13 753	618 931	510 070
Inter-segment revenues	-	-	129 334	114 141	-	-	-	-	-	-	129 334	114 141
Cost of revenues	(144 408)	(113 510)	(179 951)	(144 762)	(29 891)	(26 889)	(86 436)	(84 713)	(12 603)	(10 014)	(453 289)	(379 888)
Inter-segment cost of revenues	(89 674)	(69 051)	-	-	(18 798)	(17 137)	(20 862)	(27 953)	-	-	(129 334)	(114 141)
Changes in fair value of biological assets and agricultural produce	-	-	51 967	70 207	5 978	7 016	-	-	-	-	57 945	77 223
Gross profit	55 044	42 019	111 906	105 737	18 685	18 737	35 103	37 173	2 849	3 739	223 587	207 405
General and administrative expense	(7 194)	(6 524)	(16 577)	(13 083)	(1 604)	(1 531)	(843)	(748)	(1 517)	(2 227)	(27 735)	(24 113)
Selling and distribution expense	(15 784)	(7 537)	(62 546)	(48 121)	(416)	(416)	(7 739)	(9 592)	(1 113)	(778)	(87 598)	(66 444)
Other operating (expense) income	(1 463)	263	(4 829)	(3 451)	(559)	(226)	(263)	(620)	(5 363)	(3 745)	(12 477)	(7 779)
Profit (loss) from operations	30 603	28 221	27 954	41 082	16 106	16 564	26 258	26 213	(5 144)	(3 011)	95 777	109 069
Interest expense on lease liability	(884)	(706)	(18 125)	(19 379)	-	-	-	-	(1 452)	(1 412)	(20 461)	(21 497)
Foreign currency exchange gain (loss)	458	(975)	1 102	(7 001)	-	-	440	1 553	82	492	2 082	(5 931)
Interest expense	(1 023)	(1 763)	(2 908)	(4 251)	-	-	(446)	(1 330)	-	-	(4 377)	(7 344)
Interest income	-	-	-	-	-	-	-	-	1 793	1 778	1 793	1 778
Other (expense) income	-	-	-	-	-	-	-	-	(1 021)	(752)	(1 021)	(752)
Profit (loss) before tax	29 154	24 777	8 023	10 451	16 106	16 564	26 252	26 436	(5 742)	(2 905)	73 793	75 323
Taxation	-	-	-	-	-	-	-	-	(11 890)	(10 159)	(11 890)	(10 159)
Net profit (loss)	29 154	24 777	8 023	10 451	16 106	16 564	26 252	26 436	(17 632)	(13 064)	61 903	65 164
Consolidated total assets	181 403	172 619	389 368	388 290	59 928	51 344	44 817	48 125	34 755	47 215	710 271	707 593
Consolidated total liabilities	22 433	34 508	141 162	152 412	208	107	27 899	8 217	19 758	23 110	211 460	218 354
Other segment information:												
Depreciation and amortisation	8 687	6 531	35 613	34 892	2 544	1 534	1 698	1 477	1 049	1 268	49 591	45 702
Additions to non-current assets:												
Property, plant and equipment	10 915	5 871	8 828	9 098	5 002	1 290	13 983	829	1 990	185	40 718	17 273
Intangible assets	12	13	70	78	4	10	5	3	73	31	164	135
Right-of-use asset	2 261	1 272	36 679	23 129	-	-	-	-	145	2 152	39 085	26 553

Geographic information:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2023	**2022**	**2023**	**2022**
Revenue from external customers				
Ukraine	**11 607 929**	7 963 837	**293 890**	231 406
Euroland	**12 078 168**	9 113 436	**305 795**	264 811
incl. Switzerland	***3 920 412***	*2 611 833*	***99 257***	*75 893*
Asia	**737 030**	191 647	**18 660**	5 569
Other	**23 135**	285 084	**586**	8 284
Total revenue from external customers	**24 446 262**	17 554 004	**618 931**	510 070

21. FINANCIAL RISK MANAGEMENT

a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The review includes external ratings, where available, and in some cases bank references.

Majority of customers have been transacting with the Group for over three years, and no losses are expected from non-performance by these counterparties. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers. Customers that are graded as «high risk» are placed on a restricted customer list, and future sales are made on a prepayment basis with approval of management. The Group does not require collateral in respect of trade and other receivables. The measurement of the expected credit losses for trade and other receivables are described in Note 3.j) Trade accounts receivable.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- probability that the borrower will enter bankruptcy.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2023 and 2022 there were no guarantees are outstanding.

Credit quality of financial assets

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit quality of receivables is analysed based on a provision matrix or can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Counterparties without external credit rating				
Group A	**633 315**	642 507	**15 005**	16 495
Group B	**914 693**	181 408	**21 670**	4 657
Gross carrying amount	**1 548 008**	823 915	**36 675**	21 152
Loss allowance	**(15 663)**	(8 328)	**(371)**	(215)
Carrying amount - Counterparties without external credit rating	**1 532 345**	815 587	**36 304**	20 937
Past due trade receivables				
Gross carrying amount	**147 841**	121 007	**3 503**	3 107
Loss allowance	**(26 709)**	(31 081)	**(633)**	(797)
Carrying amount - Past due trade receivables	**121 132**	89 926	**2 870**	2 310
Total trade accounts receivable	**1 653 477**	905 513	**39 174**	23 247

Group A represents existing customers (more than one year) which did not breach payment terms. Group B represents new customers (less than one year) for whom there is no recent history of defaults.

Past due trade receivables are mostly due from counterparties without external credit rating.

The information about the exposure to credit risk and ECL for trade and other receivables as at 31 December 2023 provided in Note 8.

In the year ended 31 December 2023 approximately 14% of revenues (2022: 12%) were derived from two customers. Trade receivables from these customers as at 31 December 2023 were equal to UAH 45,364 thousand or EUR 1,075 thousand (2022: trade receivables of UAH 17,184 thousand or EUR 441 thousand).

The credit quality of cash deposits by external credit rating:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Banks with external credit rating (Moody's):				
Short-term deposits				
NP	**1 100**	1 518	**26**	39
Banks without external credit rating:				
Group A	**-**	2 000	**-**	51
Total cash deposits	**1 100**	3 518	**26**	90

The credit quality of cash and cash equivalents assessed by reference to external credit ratings:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Cash and cash equivalents				
Banks with external credit rating (Moody's):				
P-1	**368 775**	631 771	**8 737**	16 220
NP	**77 879**	27 205	**1 844**	698
Banks without external credit rating:				
Group A	**109 491**	356 373	**2 595**	9 149
Group B	**3 643**	3 353	**86**	86
Cash on hand	**111**	196	**3**	5
Total cash and cash equivalents	**559 899**	1 018 898	**13 265**	26 158

Group A represents Ukrainian banks. Group B represents non-Ukrainian banks.

The Group keeps cash and deposits mostly in the Ukrainian banks, which are subsidiaries of reputable foreign banks. In 2023 the Group continued to work with the same banks as in 2022.

The geographic location of the Group's customers is presented in the table below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Trade receivables neither past due nor impaired				
Ukraine	**484 874**	383 181	**11 488**	9 837
Switzerland	**51 017**	196 579	**1 209**	5 047
Asia	**687 056**	-	**16 278**	-
EU	**309 398**	235 827	**7 329**	6 053
USA	**-**	-	**-**	-
Past due trade receivables	**121 132**	89 926	**2 870**	2 310
Total trade accounts receivable	**1 653 477**	905 513	**39 174**	23 247

c) *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operating expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters or military hostilities.

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including future interest payments). Trade and other payables included in the table below exclude advances received from customers.

31 December 2023

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	2 196 549	2 538 762	855 780	673 221	988 706	21 055
Lease liability	4 963 162	9 777 044	1 340 679	1 309 010	3 257 677	3 869 678
Trade and other accounts payable	560 342	560 342	559 817	525	-	-
Net assets attributable to non-controlling participants in limited liability companies	24 302	24 302	-	24 302	-	-
	7 744 355	12 900 450	2 756 276	2 007 058	4 246 383	3 890 733

31 December 2023

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	52 041	60 149	20 275	15 950	23 425	499
Lease liability	117 588	231 640	31 763	31 013	77 183	91 681
Trade and other accounts payable	13 276	13 276	13 264	12	-	-
Net assets attributable to non-controlling participants in limited liability companies	576	576	-	576	-	-
	183 481	305 641	65 302	47 551	100 608	92 180

31 December 2022

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	2 702 779	2 888 230	2 201 298	319 821	367 111	-
Lease liability	4 251 208	8 280 655	1 105 547	1 085 993	2 765 143	3 323 972
Trade and other accounts payable	441 179	441 179	439 533	1 646	-	-
Net assets attributable to non-controlling participants in limited liability companies	23 191	23 191	-	23 191	-	-
	7 418 357	11 633 255	3 746 378	1 430 651	3 132 254	3 323 972

31 December 2022

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Loans and borrowings	69 389	74 151	56 515	8 211	9 425	-
Lease liability	109 142	212 591	28 383	27 881	70 990	85 337
Trade and other accounts payable	11 327	11 327	11 285	42	-	-
Net assets attributable to non-controlling participants in limited liability companies	595	595	-	595	-	-
	190 453	298 664	96 183	36 729	80 415	85 337

Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Expiring within one year	5 878 639	1 623 153	139 278	41 672
Expiring beyond one year	1 856 550	-	43 986	-
Total undrawn borrowing facilities	7 735 189	1 623 153	183 264	41 672

d) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

e) *Currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, which is primarily the Ukrainian hryvnia. The currencies in which these transactions primarily are denominated are U.S. dollars and EUR. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies, including debt repayments, with inflows in hard currencies from exports sales.

The exposure to foreign currency risk is as follows:

(in thousands of Ukrainian hryvnias)	2023		2022	
	EUR	USD	EUR	USD
Trade accounts receivable	222 386	863 927	61 533	396 221
Other accounts receivable	286	51 956	145	58 553
Cash and cash equivalents	64 023	330 223	4 996	637 824
Bank loans	-	(2 195 894)	-	(1 566 083)
Trade accounts payable	(3 551)	(5 840)	(104)	(8 993)
Other liabilities and accounts payable	(10 820)	(9 226)	(1 650)	(288)
Net exposure	272 324	(964 854)	64 920	(482 766)

(in thousands of Euros)	2023		2022	
	EUR	USD	EUR	USD
Trade accounts receivable	5 269	20 468	1 580	10 172
Other accounts receivable	7	1 231	4	1 503
Cash and cash equivalents	1 517	7 824	128	16 375
Bank loans	-	(52 026)	-	(40 206)
Trade accounts payable	(84)	(138)	(3)	(231)
Other liabilities and accounts payable	(256)	(219)	(42)	(7)
Net exposure	6 453	(22 860)	1 667	(12 394)

A weakening of the Ukrainian hryvnia against the following currencies as at 31 December would have decreased pre-tax profit as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2023	2022	2023	2022
Weakening of UAH, %	**10%**	**10%**	**10%**	**10%**
EUR	**27 232**	6 492	**645**	167

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2023	2022	2023	2022
Weakening of UAH, %	**10%**	**10%**	**10%**	**10%**
USD	**(96 485)**	(48 277)	**(2 286)**	(1 239)

A weakening of the Ukrainian hryvnia against the EUR by 10% as at 31 December 2023 would have increased total equity by UAH 23,681 thousand or EUR 561 thousand (31 December 2022: decreased total equity by UAH 5,323 thousand or EUR 137 thousand). A weakening of the Ukrainian hryvnia against the USD by 10% as at 31 December 2023 would have decreased total equity by UAH 81,502 thousand or EUR 1,931 thousand (31 December 2022: UAH 39,587 thousand or EUR 1,016 thousand).

Strengthening of the Ukrainian hryvnia against the above currencies as at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

During the year ended 31 December 2023 the Ukrainian Hryvnia depreciated against the EUR and USD by 8,36% and 3,87% respectively (2022: appreciated against the EUR and USD by 25,96% and 34,06% respectively). As a result, during the year ended 31 December 2023 the Group recognised a net foreign exchange loss in the amount of UAH 82,060 thousand (2022: net foreign exchange gain in the amount of UAH 203,955 thousand) in the consolidated income statement.

f) Interest rate risk

Changes in interest rates impact primarily borrowings by changing either their fair value (fixed rate debt) or future cash flows (variable rate debt).

At 31 December the interest rate profile of interest bearing financial instruments is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	2022	2023	2022
Fixed rate instruments				
Financial liabilities	**(918 687)**	(2 163 430)	**(21 766)**	(55 541)
Variable rate instruments				
Financial liabilities	**(1 258 981)**	(512 672)	**(29 828)**	(13 162)

The floating interest rates reflect the real market price for the facility utilized by the Group which is often based on the CME term secured overnight financing rate ("SOFR"), as well as 3 months and 12 months Ukrainian index of retail deposit rates ("UIRD") for loans nominated in US dollars. During the year ended 31 December 2023, the management established and executed a transition plan of amendment LIBOR to CME Term SOFR or UIRD. The impact of alternative benchmark did not have a material impact on the Group. Currently the Group does not use any cash flow hedges.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not have any derivatives (interest rate swaps) that designate as hedging instruments under a fair value hedge accounting model.

Sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all other variables held constant, through the impact on variable rate instruments, is as follows:

	Increase (decrease) in interest rate	*(in thousands of Ukrainian hryvnias)*		*(in thousands of Euros)*	
		2023	2022	2023	2022
SOFR	1,00%	7 672	-	182	-
SOFR	-1,00%	(7 672)	-	(182)	-
UIRD	1,00%	4 918	-	116	-
UIRD	-1,00%	(4 918)	-	(116)	-
Libor	1,00%	-	5 127	-	132
Libor	-1,00%	-	(5 127)	-	(132)

Sensitivity of the Group's equity to a reasonably possible change in interest rates, with all other variables held constant, through the impact on variable rate instruments, is as follows:

	Increase (decrease) in interest rate	*(in thousands of Ukrainian hryvnias)*		*(in thousands of Euros)*	
		2023	2022	2023	2022
SOFR	1,00%	6 291	-	122	-
SOFR	-1,00%	(6 291)	-	(122)	-
UIRD	1,00%	4 033	-	79	-
UIRD	-1,00%	(4 033)	-	(79)	-
Libor	1,00%	-	4 204	-	108
Libor	-1,00%	-	(4 204)	-	(108)

g) Other market price risk

The Group does not enter into commodity contracts other than to meet expected usage and sale requirements; such contracts are not settled net.

h) Agricultural risk

The agricultural business of the Group is exposed to significant risks associated with outbreaks of livestock diseases and loss of the crop because of unfavourable weather conditions. Epidemiological surveillance system adopted by the Group minimizes the risks associated with the disease of cattle. The loss of harvests is minimized at the expense of reseeding of damaged winter crops with spring crops and a partial harvest insurance.

i) Fair values of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. This fair value is within level 1 of fair value hierarchy. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models and are within level 2 or 3 of fair value hierarchy.

As at 31 December 2023 the fair value of the Group's borrowings with fixed interest rate approximates UAH 475,446 thousand (EUR 11,264 thousand) (2022: UAH 288,154 thousand (EUR 7,398 thousand)), their carrying value amounted of UAH 644,135 thousand (EUR 15,261 thousand) (2022: UAH 427,103 thousand (EUR 10,965 thousand)).

As at 31 December 2023 and 2022, the carrying value of the Group's borrowings with floating interest rate and other financial instruments approximates their fair values.

j) Tax and legal matters

The Group's operations are concentrated in Ukraine. Ukrainian legislation and regulations regarding taxation and other operating matters continue to evolve as part of an economy in transition. Legislation and regulations are not always clearly written and their interpretation is subject to the opinions of local, regional and national authorities, and other governmental bodies. Instances of inconsistent opinions are not unusual.

As at 31 December 2023, management estimates that the Group has possible liabilities from exposure to other than remote tax risks of UAH 149,062 thousand or EUR 3,531 thousand (31 December 2022: UAH 178,575 thousand or EUR 4,584 thousand). These exposures primarily relate to ongoing litigations with regards to certain challenges from tax authorities, where the latter assessed the Group with additional CPT and VAT liabilities plus penalties. Management believes that based on the past history of court resolutions of similar lawsuits by the Group, it is unlikely that a significant settlement will arise out of such lawsuits and no respective provision is required in the Group's financial statements as of the reporting date.

Companies of the Group have significant controlled operations which are governed by transfer pricing rules. Such operations include export trade operations of agricultural products, as well as interest expenses and royalty. Specified operations are conducted both with related parties - non-residents, and third parties from low-taxing jurisdiction. In the absence of common methodology for transfer pricing in Ukraine, as well as established judiciary practice in the sphere of the transfer pricing, there are risks that the approach of tax authorities in the treatment of controlled operations will be different from approach applied by the companies of the Group. If the tax authorities establish failure to comply with these rules, they may demand transfer pricing adjustments. If substantial transfer pricing adjustments were upheld by the relevant Ukrainian authorities or courts and implemented, the Group's financial results could be adversely affected; however, the potential amount could not be estimated reliably. Given that the risks can materialise during seven years from the date of submission of the appropriate income tax returns.

According to Ukrainian legislation land lease agreements should be registered by state authorities. As at 31 December 2023 and 31 December 2022 the Group had a number of land lease agreements in respect of which registration procedure was not finalised. This includes both lease agreements that were not temporarily registered due to lengthy procedure of registration and which would not be registered at all. Therefore in respect of these agreements there is a risk of collusion by rivals and/or lessors to cancel the right of the Group to lease the land plots according to these agreements. Total land area leased according to unregistered agreements as at 31 December 2023 comprised 11 thousand hectares which constituted approximately 5% of the total land lease area of the Group and right-of-use assets and lease liability recognised in respect of these agreements as at 31 December 2023 comprised UAH 138,143 thousand or EUR 3,273 thousand and UAH 138,977 thousand or EUR 3,293 thousand respectively (31 December 2022: UAH 108,069 thousand or EUR 2,774 thousand and UAH 114,437 thousand or EUR 2,938 thousand).

The Group's operations and financial position will continue to be affected by Ukrainian political developments including the application of existing and future legislation and tax regulations. Management believes that the Group has complied with all regulations and paid or accrued all taxes that are applicable. In the ordinary course of business, the Group is subject to various legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of the Group's operations. Where the risk of outflow of resources is probable, the Group has accrued liabilities based on management's best estimate.

22. RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's shareholders, companies that are under control of the Group's shareholders, key management personnel and their close family members and companies that are controlled or significantly influenced by the shareholders. Prices for related party transactions are determined on a market basis.

The following table summarises transactions that had been entered into with the companies under control of one of the shareholders with significant influence over the Group for the year ended 31 December:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Sales to related parties	**5 301**	14 885	**134**	438
Purchases from related parties	**63 919**	59 282	**1 616**	1 744
Cash proceeds from financial aids	-	70 730	-	2 081
Repayment of financial aids	**52 840**	17 890	**1 336**	526
Other transaction with related parties*	**77 880**	4 435	**1 969**	130

* During the year ended 31 December 2023 the Group provided non-refundable financial assistance to a related charitable foundation in amount of UAH 77,880 thousand or EUR 1,969 thousand (2022: UAH 4,435 thousand or EUR 130 thousand).

The following tables summarise balances with the companies under control of one of the shareholders with significant influence over the Group as at 31 December:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Long-term advances to suppliers	**5 971**	5 971	**141**	153
Advances to suppliers for property, plant and equipment	**4 187**	-	**99**	-
Other receivables	**2 288**	490	**54**	13
Other long-term receivables	**993**	1 324	**24**	34
Advances to suppliers	**254**	32	**6**	1
Trade accounts receivable	**7**	7	-	-
Amounts owed by related parties	**13 700**	7 824	**324**	201

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Borrowings from non-financial institutions	**106 057**	127 803	**2 513**	3 281
Trade accounts payable	**5 525**	4 978	**131**	128
Advances received from customers	**2 524**	2 769	**60**	71
Other payables	**6**	-	-	-
Financial aid	-	52 840	-	1 357
Amounts owed to related parties	**114 112**	188 390	**2 704**	4 837

Other transactions

As at 31 December 2023, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 106,057 thousand (2022: UAH 127,803 thousand) or EUR 2,513 thousand (2022: EUR 3,281 thousand) bearing an interest of 4.0% p.a.

The Group rents an office premises from related parties under control of the shareholder with significant influence over the Group and has accounted these lease agreements according IFRS 16. As at 31 December 2023, the Group had the lease liability in amount of UAH 294,180 thousand or EUR 6,970 thousand and respective right-of-use asset in amount of UAH 203,100 thousand or EUR 4,812 thousand (2022: UAH 283,649 thousand or EUR 7,283 thousand and UAH 226,956 thousand or EUR 5,827 thousand respectively) (Note 5). During the year ended 31 December 2023 the Group recognized depreciation charge of right-of-use asset in amount of UAH 21,087 thousand or EUR 533 thousand as General and administrative expenses (2022: UAH 18,453 thousand or EUR 540 thousand) (Note 5 and

Note 15). During the year ended 31 December 2023 the interest expense was charged in amount of UAH 57,059 thousand or EUR 1,443 thousand (2022: UAH 47,671 thousand or EUR 1,410 thousand) (Note 5 and Note 18).

The Group rents land plots from related parties and has accounted these lease agreements according to IFRS 16. As at 31 December 2023, the Group had the lease liability in amount of UAH 16,621 thousand or EUR 394 thousand and respective right-of-use asset in amount of UAH 16,917 thousand or EUR 401 thousand (2022: UAH 13,058 thousand or EUR 335 thousand respectively and UAH 12,675 thousand or EUR 325 thousand respectively) (Note 5). During the year ended 31 December 2023 the Group recognized depreciation charge of right-of-use asset in amount of UAH 1,470 thousand or EUR 37 thousand as Cost of sales (2022: UAH 1,109 thousand or EUR 32 thousand). During the year ended 31 December 2023 the interest expense was charged in amount of UAH 2,189 thousand or EUR 55 thousand (2022: UAH 1,581 thousand or EUR 47 thousand) (Note 5 and Note 18).

Management remuneration

The remuneration received by executive and non-executive Board members is specified below:

(in thousands of Ukrainian hryvnias)

	Financial year	Fixed remuneration	Variable remuneration	Total remuneration
Chairman of the Board	2023	2 955	-	**2 955**
	2022	2 350	-	**2 350**
Other Non-executive Board members (combined)	2023	3 152	-	**3 152**
	2022	2 516	-	**2 516**
Executive Directors (combined)	2023	26 978	37 259	**64 237**
	2022	23 506	-	**23 506**
Total management remuneration	**2023**	**33 085**	**37 259**	**70 344**
	2022	**28 372**	**-**	**28 372**

(in thousands of Euros)

	Financial year	Fixed remuneration	Variable remuneration	Total remuneration
Chairman of the Board	2023	75	-	**75**
	2022	75	-	**75**
Other Non-executive Board members (combined)	2023	80	-	**80**
	2022	80	-	**80**
Executive Directors (combined)	2023	681	942	**1 623**
	2022	676	-	**676**
Total management remuneration	**2023**	**836**	**942**	**1 778**
	2022	**831**	**-**	**831**

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totaling six persons). Mr.Viktor Gladky was acting as the Executive Director until 21 August 2023. Mr.Viacheslav Chuk was acting as the Executive Director from 21 August 2023.

Executive Directors who take part in a day-to-day operating activity of the Company, are entitled to a remuneration package consisting of an annual fixed and variable remuneration. Variable remuneration comprises long-term incentives based on a share option plan and short-term incentives in the form of bonuses.

Remuneration of key management for the year ended 31 December 2023 was UAH 70,344 thousand or EUR 1,778 thousand (2022: UAH 28,372 thousand or EUR 831 thousand). This remuneration consisted of two components: fixed remuneration of UAH 33,085 thousand or EUR 836 thousand (2022: UAH 28,372 thousand or EUR 831 thousand), variable remuneration in the form of bonuses of UAH 37,259 thousand or EUR 942 thousand (2022: were not accrued).

In addition to the above expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2022 were accrued for Executive Directors in the amount of UAH 29,155 thousand or EUR 858 thousand. These expenses are not part of total 2022 remuneration in the table above, as these LTI awards were not received by management. Expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2023 were not accrued for Executive Directors.

Based on the Company's Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company's shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023.

According to the mentioned Resolution of the Board of Directors one of the Executive Directors was also entitled to receive a free of charge transfer of Company's shares in the quantity 124,755 for achievement of the long-term incentive target. Such transfer is yet to be performed.

Loans and guarantees

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

The accumulated balance in equity for key management personnel presented by share-based incentive plans as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2023	**2022**	**2023**	**2022**
Executive Directors (combined)	**37 987**	61 932	**900**	1 590
	37 987	61 932	**900**	1 590

23. EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no subsequent events to mention.

ASTARTA HOLDING PLC

SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION	174
SEPARATE INCOME STATEMENT	175
SEPARATE STATEMENT OF COMPREHENSIVE INCOME	176
SEPARATE STATEMENT OF CASH FLOWS	177
SEPARATE STATEMENT OF CHANGES IN EQUITY	178
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	179

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(in thousands of Euros)	*Note*	31 December 2023	31 December 2022
Assets			
Non-current assets			
Investments in subsidiaries	*3*	**496 515**	487 019
Total non-current assets		**496 515**	487 019
Current assets			
Receivables			
Loans granted to subsidiaries	*4*	**634**	820
Other accounts receivable and prepayments	*5*	**1 588**	987
Cash and cash equivalents	*6*	**95**	417
Total current assets		**2 317**	2 224
Total assets		**498 832**	489 243
Equity and liabilities			
Equity	*7*		
Share capital		**250**	250
Additional paid-in capital		**55 638**	55 638
Revaluation reserve		**77 524**	97 057
Other reserve		**(426 274)**	(386 066)
Retained earnings		**796 998**	728 463
Treasury shares		**(5 325)**	(6 103)
Total equity		**498 811**	489 239
Current liabilities			
Other liabilities		**21**	4
Total current liabilities		**21**	4
Total equity and liabilities		**498 832**	489 243

On 15 April 2024 the Board of Directors of ASTARTA HOLDING PLC and responsible officer approved and authorised these Separate financial statements for issue.

___*(signed)*______
Viktor Ivanchyk
Executive Director of ASTARTA HOLDING PLC

___*(signed)*_______
Liliia Lymanska
Chief Financial Officer of LLC firm “Astarta-Kyiv”, main operating subsidiary of ASTARTA HOLDING PLC

The notes on pages 179 to 197 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)		**2023**	**2022**
Share in profit of participations	*3*	**61 798**	64 632
Royalty income	*8*	**911**	872
Income from services		**(1)**	796
Interest income from related parties	*9*	**23**	11
Operating income		**62 731**	66 311
Other operating expense		**(651)**	(1 122)
Operating expense		**(651)**	(1 122)
Operating profit		**62 080**	65 189
Other finance income/(expense)		**(75)**	3
Profit before tax		**62 005**	65 192
Income tax expense	*10*	**(102)**	(28)
Net profit		**61 903**	65 164
Net profit attributable to:			
Equity holders of the parent company		**61 903**	65 164
Weighted average basic shares outstanding (in thousands of shares)		**24 272**	24 250
Basic earnings per share attributable to shareholders of the company from continued operations (in Euros)		**2,55**	2,69
Weighted average diluted shares outstanding (in thousands of shares)		**24 397**	24 588
Diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		**2,54**	2,65

The notes on pages 179 to 197 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	2023	2022
Net profit	61 903	65 164
Share in other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Translation difference	(40 208)	(111 506)
Share in other comprehensive loss to be reclassified to profit or loss in subsequent periods	(40 208)	(111 506)
Share in other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Increase of revaluation reserve, net of tax effect	-	39 581
Share in other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	39 581
Total other comprehensive loss	(40 208)	(71 925)
Total comprehensive income/(loss)	21 695	(6 761)
Attributable to:		
Equity holders of the parent	21 695	(6 761)
Total comprehensive income/(loss) for the year ended 31 December	21 695	(6 761)

The notes on pages 179 to 197 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	*Note*	2023	2022
Operating activities			
Profit before tax		62 005	65 192
Adjustments for:			
Depreciation and amortization		6	6
Allowance for other accounts receivable	*5*	51	98
Share in profit of participations	*3*	(61 798)	(64 632)
Interest income	*9*	(23)	(11)
Foreign exchange loss		306	449
Working capital adjustments:			
Increase in other receivables		(652)	(1 057)
Increase/(decrease) in other payables		17	(5)
Income taxes paid		(102)	(28)
Cash flows (used in)/provided by operating activities		(190)	12
Investing activities			
Purchase of intangible asset		(6)	-
Dividends received	*3*	11 905	-
Returned loans	*4*	139	143
Interest received		41	-
Cash flows from investing activities		12 079	143
Financing activities			
Dividends paid	*7*	(12 125)	-
Cash flows used in financing activities		(12 125)	-
Net (decrease)/increase in cash and cash equivalents		(236)	155
Cash and cash equivalents as at 1 January		417	240
Currency translation difference		(86)	22
Cash and cash equivalents as at 31 December	*6*	95	417

The notes on pages 179 to 197 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euros)	Share capital	Additional paid-in capital	Revaluation reserve	Other reserves	Retained earnings	Treasury shares	Total
At 31 December 2021	250	55 638	68 922	(274 560)	650 995	(6 103)	495 142
Net profit for the year	-	-	-	-	65 164	-	65 164
Exchange rate differences	-	-	-	(111 506)	-	-	(111 506)
Revaluation surplus, net of tax	-	-	39 581		-	-	39 581
Total other comprehensive income/(loss), net of tax	-	-	39 581	(111 506)	-	-	(71 925)
Total comprehensive income/(loss)	-	-	39 581	(111 506)	65 164	-	(6 761)
Realisation of revaluation surplus, net of tax	-	-	(11 446)	-	11 446	-	-
Share-based incentive plans	-	-	-	-	858	-	858
Total movements	-	-	28 135	(111 506)	77 468	-	(5 903)
At 31 December 2022	**250**	**55 638**	**97 057**	**(386 066)**	**728 463**	**(6 103)**	**489 239**
Net profit for the year	-	-	-	-	61 903	-	61 903
Exchange rate differences	-	-	-	(40 208)	-	-	(40 208)
Total other comprehensive loss, net of tax	-	-	-	(40 208)	-	-	(40 208)
Total comprehensive (loss)/income	-	-	-	(40 208)	61 903	-	21 695
Realisation of revaluation surplus, net of tax	-	-	(19 533)	-	19 535	-	2
Share-based incentive plans	-	-	-	-	(778)	778	-
Distribution of dividends	-	-	-	-	(12 125)	-	(12 125)
Total movements	-	-	(19 533)	(40 208)	68 535	778	9 572
At 31 December 2023	**250**	**55 638**	**77 524**	**(426 274)**	**796 998**	**(5 325)**	**498 811**

The notes on pages 179 to 197 are an integral part of these separate financial statements.

1. GENERAL

ASTARTA HOLDING PLC (the "Company") is a Cyprus public limited company and registered under the law of Cyprus. The Company was incorporated as ASTARTA Holding N.V. in Amsterdam, the Netherlands, on 9 June 2006.

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

On 16 June 2022 conversion proposal was approved on Annual General meeting of shareholders.

With effect from 16 September 2022, the Company's registered office and corporate domicile was transferred to Cyprus and the Company is registered in the Registrar of Companies in Cyprus.

On and from 16 September 2022, the Company's legal address is Lampousas street 1, 1095 P.C., Nicosia, Cyprus.

ASTARTA HOLDING PLC and its subsidiaries are referred to as the "Astarta" or the "Group". The shares of the Company are listed and trading on the Warsaw Stock Exchange (WSE).

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

These separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The Company is required to by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a public company as defined by the Law and the Company issues consolidated financial statements for the year ended 31 December 2023 together with these Company separate financial statements for the year ended 31 December 2023.

The accounting policies adopted in preparing the separate financial statements of the Company are consistent with those adopted in preparing the consolidated financial statements of the Group, a summary of material accounting policy information is presented in Note 2 of the consolidated financial statements of the Group for the year ended 31 December 2023.

Going concern

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the government of Ukraine and corresponding introduction of the related temporary restrictions that impact the economic environment. Considering the above, the Company, which is affected through the investments it holds in its subsidiaries, has assessed the going concern assumption based on which the financial statements have been prepared.

Geographical diversification of the Group's assets' location allows it to keep most of the assets apart from the regions under intense military hostilities. The assets of the Group are located in the Central part of Ukraine (the Poltava region), the Northern part of Ukraine (the Chernihiv region), the East (the Kharkiv region) and the Western part (the Khmelnytskyi, Vinnytsya, Zhytomyr and Ternopil regions). As at the date of the issue of these separate financial statements:

- intensive military hostilities have been localized in the regions, where Astarta does not operate its key assets;
- no critical assets preventing the Group from continuing operations have been damaged;
- no material assets have been lost or located on uncontrolled territories.

Agricultural subsidiaries of the Group perform maintenance operations and are ready for the start of spring planting.

In 2023 the Group operated all its sugar plants, production cycle is finished in January 2024 and produced sugar is in stock. The processing of sugar beets from 2022/23 agricultural season was continuing in January 2024 due to adverse weather conditions for harvesting of sugar beet. The Group plans to operate all of its sugar plants in 2024 production season.

As of the date of the issue of these consolidated financial statements, the soybean processing plant operated at its normal crushing capacity.

The management of the Group expects to continue shipments of the goods to local buyers and to nearby EU countries. In-house agricultural and office IT solutions allow Astarta to support business processes remotely under current conditions if needed. However, in case of any disruption to centralized systems, all operating subsidiaries can operate autonomously.

Astarta continues to sell crops, sugar, milk and soybean crushing products on the domestic market as well as expanding export operations. During 2023, the export through the Black Sea ports was partially renewed and the Group exported grain to various countries via sea transportation routes. The Group also realises export sales via railway and using trucks for sugar and soybean products.

The Group has required storage capacities to take and keep the future harvest. As of today, the main remaining issue is logistics and its cost. Export is possible for all types of commodities.

Astarta is not trading with the entities on the Ukrainian, EU and US sanctions lists or entities associated with the individuals under those sanctions.

As at 31 December 2023 the Group was in compliance with covenants on its loans. The Group does not foresee the breach of covenants during 2024. As at 31 December 2023 management also prepared the forecast of covenants up until and covering Q1 2024. Based on this, management expects that the Group will be able to meet the covenants for the upcoming 12 months from the date of these financial statements with considerable headroom for the contracted ratios. In management's view, the sustainability of headroom will be ensured through the stable level of external long-term debt. Amid further improvement of market conditions, there is a surplus of sugar on the domestic market and Ukrainian sugar producers can freely trade with EU markets at European prices since the EU lifted import duties on sugar for Ukraine. The higher sugar prices also will positively affect 2024 financial results given the current Group's stocks of sugar. Stable level of external long-term debt will be maintained through the servicing of existing debt as per initial loan schedules. Management does not intend to attract additional long-term financing in 2024. During 2023, the Group successfully repaid significant portion of its short-term debt. The Group had EUR 183 million of undrawn bank facilities available.

As of the date of these separate financial statements, condition and safety of the Company's and the Group's assets are not significantly affected by the military invasion by the Russian Federation and the operating, logistic processes were reassessed by the Company and the Group to ensure continuity of its business, as described above. Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared a 12 months from the date of these separate financial statements budget based on the assumption that the degree of intensity of military hostilities in the regions where the Group's assets are located and the area of the Ukrainian territory currently invaded by the Russian troops is not largely increased; the Group is able to carry out sowing and harvesting of crops; the Group is able to continue deliver its goods domestically and for export combining different means of transportation available; it will be possible to operate sugar processing plants after harvesting sugar beet in 2024/25; the Group will be able to obtain export licenses for some of its agricultural products.

While the Group's operations were not largely impacted so far and management prepared its 12 months budget based on the known facts and events, there is a significant uncertainty over the future development of the Russian armed intervention, its duration and short and long-term impact on the Company and the Group, its assets, employees and operations. There might be multiple scenarios of further development with unknown likelihood, and the magnitude of the impact on the Company and the Group might vary from significant to severe. This represents a single source of material uncertainty, which may cast significant doubt about the Company's and the Group's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Management is frequently assessing the current situation and making appropriate adjustments to its business operations to mitigate any affects on the Company and the Group. Based on these and other steps the Company and the Group is taking, management concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

Functional and presentation currency

The functional and presentation currency of the Company and its Swiss and Cypriot subsidiaries is Euro (EUR). The operating subsidiaries registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

Basis of recognition of participations in subsidiaries

Investments in subsidiaries are valued using the equity method, determined applying the IFRS accounting policies as described in the financial statements. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

Impairment review of its investments in subsidiaries

The Company carries its investment in its subsidiary using the equity method and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value-in-use. If the recoverable amount is less than the carrying value of the investment, that decrease is recognised by the Company as an impairment loss.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the official foreign exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate valid at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate valid at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign exchange differences arising from translation are recognised in the income statement.

Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company and its subsidiaries holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Company and its subsidiaries measures ECL and recognises net impairment losses on trade accounts receivable at each reporting date. The Company and its subsidiaries applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivable. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to current and macroeconomic information on macroeconomic factors affecting the ability of the customers to settle the receivables.

At each reporting date, the Company and its subsidiaries assesses whether trade accounts receivable carried at amortised cost are credit-impaired. A trade account receivable is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the trade account receivable have occurred.

Evidence that a trade account receivable is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at acquired cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

Additional paid-in capital

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

Expenses

Expenses are accounted for on an accrual basis.

Interest income

Interest income comprises mostly interest income on loans issued to related parties. Interest income is recognised using the effective interest rate method.

The following material accounting policy information are applied in the preparation of the valuation of investment in subsidiaries:

a) Property, plant and equipment

Owned assets

Buildings and constructions held for production, selling and distribution or administrative purposes, machinery and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and constructions, machinery and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. The revaluations are carried out by independent appraisers.

A revaluation increase on property is recognised in other comprehensive income, except to the extent that it reverses a previous impairment recognised in the income statement. An impairment of property is recognised in the income statement, except to the extent that it reverses a previous revaluation increase recognised through other comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the buildings, and machinery and equipment sold is transferred to retained earnings.

Vehicles and other items of property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Group; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate part of production overheads.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

Uninstalled equipment comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in the construction.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in the accounting estimate.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Depreciation commences when the item of property, plant and equipment is available for use. Land, assets under construction and uninstalled equipment are not depreciated.

The estimated initial useful lives are as follows:

Buildings	Up to 50 years
Constructions	Up to 50 years
Machinery and equipment	Up to 20 years
Vehicles	Up to 10 years
Other property, plant and equipment	Up to 30 years

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss. Impairment losses are recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment

In respect of property, plant and equipment, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may be decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognised.

b) Leases

The subsidiaries are a party to lease contracts as a lessee for, among others:

- land plots;
- building for office space and warehouses.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	1 to 49
Buildings	1 to 15

The lease term determined by the Company and its subsidiaries comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate as of the commencement date of the contract.

The lease liability is measured subsequently at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate and when there is a change in the Group's assessment of whether it will exercise extension or termination option.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The Group has applied the cost model to right-of-use assets. The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The subsidiaries have elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and other lease that have a term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

c) *Biological assets*

The subsidiary classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets is included in the income statement line “Changes in fair value of biological assets and agricultural produce”. The subsidiary classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

d) *Agricultural produce*

The subsidiary classifies harvested crops as agricultural produce. Agricultural produce is carried in the statement of financial position at lower of cost (equal to fair value at the point of harvest less cost to sell, which is considered to be the cost at that date) or net realisable value. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest is included in the income statement line “Changes in fair value of biological assets and agricultural produce”.

e) *Inventories*

Inventories are stated at the lower of cost and net realizable value. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognised as biological assets held at fair value less cost to sell.

f) *Fair value measurement principles*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

g) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies.

h) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the income statement over the period of the borrowings using effective interest rate method.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

i) Trade accounts payable

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

j) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in the statement of other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Simplified taxation system (Group IV)

In accordance with the Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as single tax payers of Group IV, provided that sales of agricultural goods of their own production accounted for more than 75% of their gross revenues for the preceding year.

The single tax of Group IV is paid in lieu of corporate income tax, land tax and duties for special use of water sources. The amount of single tax of Group IV payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer. Single tax of Group IV is expensed as incurred.

Value added tax

VAT rates applicable for the Group's transactions in Ukraine where the substantial part of the Group operations are concentrated, are as follows: 20% and 14% on domestic sales and 0% on export of goods. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and for domestic operations arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer; for export operations arises on the date of customs clearance of exported goods. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. For domestic and export operations rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods are received.

Where provision has been made for impairment of trade receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT. VAT assets recoverable in cash from the State are included into Group's assets. All other VAT assets and liabilities are netted only within the individual companies of the Group.

Deferred tax

Deferred tax is determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Revenue

Revenue is income arising in the course of the subsidiary's ordinary activities. Revenue from sales of goods is recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the subsidiary has objective evidence that all criteria for acceptance have been satisfied.

Revenue from contracts with customers is recognised in the amount of transaction price net of discounts, returns and value added taxes, export duties, other similar mandatory payments. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Generally, sales are made with a credit term, which is consistent with the market practice and consequently trade receivables are classified as current assets. A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Contract liabilities are included in other liabilities and accounts payable line item as advances from customers.

l) Expenses

Expenses are accounted for on an accrual basis.

m) Finance cost and income

Finance costs comprise interest expenses on loans and borrowings and foreign exchange difference. All interest and other costs incurred in connection with borrowings are expensed using the effective interest method.

Finance income comprises mostly interest income on bank deposits. Interest income is recognised using the effective interest rate method.

Borrowing costs consist of interest expense and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period in which they occur.

n) New and amended standards and interpretations adopted

The following amended standards became effective from 1 January 2023, but did not have any material impact on the Group:

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017);
- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020);
- Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021);
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021);
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021);
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023);

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021).

Based on amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies the Group has updated its accounting policies based on new requirements and using the materiality concept. These amendments did not have any impact on the amounts recognised in prior periods and do not significantly affect the current or future periods.

3. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2023 and 2022 the Company owns 100% of the shares of Ancor Investments Ltd, a subsidiary based in Cyprus. These shares and control over the subsidiary were received in July 2006 in exchange for a contribution-in-kind transaction.

In August 2017 the Company has incorporated Astarta Trading GmbH, a subsidiary based in Switzerland with share capital of CHF 20,000. The Company owns 100% of the shares of Astarta Trading GmbH, all shares are fully paid. The Company controls Astarta Trading GmbH since its incorporation.

In February 2023 a new subsidiary ASTARTA TRADING Ltd has been incorporated under the Company Law, Cap. 113 as a limited liability company and is registered in Nicosia, Cyprus. The Company owns 100% of the shares of ASTARTA TRADING Ltd, all shares are fully paid. The Company controls ASTARTA TRADING Ltd since its incorporation.

The movements in the valuation of this investment may be summarised as follows:

(in thousands of Euros)	2023	2022
Balance as at 1 January	**487 019**	**493 984**
Share in profit of participations	61 798	64 632
Share in other comprehensive income of participations	(40 206)	(71 925)
Dividends received	(11 905)	-
Translation differences	(191)	328
Balance as at 31 December	**496 515**	**487 019**

In 2023, the Company has received dividends from its subsidiary Ancor Investments Ltd in amount of EUR 11 million.

Investments in subsidiaries are tested for impairment using the value-in-use calculation adjusted for the net debt position. There was no impairment identified as a result of impairment testing performed as at 31 December 2023.

As at 31 December 2023 ASTARTA HOLDING PLC owns shares, directly and indirectly, in a number of subsidiaries with the following percentage of ownership:

Name of Subsidiaries:	Activity	Place of business, country	31 December 2023 % of ownership	31 December 2022 % of ownership
Direct subsidiaries:				
Ancor Investments Ltd	Trade and investment activities	Cyprus	100,00%	100,00%
Astarta Trading GmbH	Trade	Switzerland	100,00%	100,00%
Astarta Trading Ltd	Trade	Cyprus	100,00%	0,00%
Indirect subsidiaries:				
LLC Firm “Astarta-Kyiv”	Asset management	Ukraine	99,99%	99,99%
LLC “APO “Tsukrovyk Poltavshchyny”	Sugar production	Ukraine	99,73%	99,73%
LLC “Agricultural company “Dovzhenko”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Agro Trade”	Trade	Ukraine	99,99%	99,99%
LLC “Agricultural company “Dobrobut”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Musievske”*	Agricultural	Ukraine	0,00%	99,99%
LLC “Globinskiy processing factory”	Soybean processing	Ukraine	99,99%	99,99%
LLC “IIC “Poltavazernoproduct”	Agricultural	Ukraine	99,99%	99,99%

LLC “List-Ruchky”	Agricultural	Ukraine	74,99%	74,99%
LLC “Agropromgaz”	Trade	Ukraine	99,97%	99,97%
LLC “Khmilnitske”	Agricultural	Ukraine	99,99%	99,99%
LLC “Volochysk-Agro”	Agricultural	Ukraine	99,99%	99,99%
LLC “Agricultural company “Astarta Prykhorollia”	Agricultural	Ukraine	99,99%	99,99%
ALLC “Nika”	Agricultural	Ukraine	99,99%	99,99%
LLC “Zhytnytsya Podillya”	Agricultural	Ukraine	99,99%	99,99%
LLC “Astarta Service”	Service	Ukraine	99,99%	99,99%
LLC "Tsukoragroprom"	Sugar production	Ukraine	99,99%	99,99%
LLC "Zerno-Agrotrade"	Storage and trade	Ukraine	99,99%	99,99%
LLC "Novoorzhytskiy sugar plant"	Sugar production	Ukraine	99,99%	99,99%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	Ukraine	99,99%	99,99%
PE "TMG"	Agricultural	Ukraine	99,99%	99,99%
LLC "Eco Energy Ukraine"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agri Chain"	Research and development	Ukraine	99,99%	99,99%
LLC “Narkevichy sugar plant”	Sugar production	Ukraine	99,99%	99,99%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine	99,99%	99,99%
LLC “Astarta Invest Service”	Land management	Ukraine	99,99%	99,99%
LLC “Astarta Agro Protein”	Soybean processing	Ukraine	99,99%	99,99%
LLC “Podil Agricultural Traditions”	Agricultural	Ukraine	99,99%	99,99%
LLC “Chernihiv Eko Plus”	Agricultural	Ukraine	99,99%	99,99%
LLC “Chernihiv Agricultural Traditions”	Agricultural	Ukraine	99,99%	99,99%

* At 30 June 2023 LLC "Agricultural company "Musievske" was merged with LLC "Agricultural company "Astarta Prykhorolia".

Place of business of all subsidiaries has not changed since previous year.

4. LOANS GRANTED TO SUBSIDIARIES

The terms and repayment schedule for loan granted are as follows:

(in thousands of Euros)	Nominal interest rate	Year of maturity	31 December 2023	31 December 2022
Loans granted to subsidiary in USD	3,75%	2024	**634**	-
Loans granted to subsidiary in USD	1,25%	2023	-	820
Total loans granted to subsidiary			**634**	820

As at 31 December 2023 the Company has a loan receivable balance from its subsidiaries of USD 700 thousand (2022: USD 850 thousand). The loans are unsecured and bears interest of 3,75% p.a. (2022: 1,25% p.a.).

Fair value of the loans approximates its carrying value.

5. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Other accounts receivable and prepayments as at 31 December are as follows:

(in thousands of Euros)	31 December 2023	31 December 2022
Other financial assets:		
Receivable from subsidiaries	1 687	833
Other accounts receivable	-	228
Less credit loss allowance	(129)	(85)
Prepayments and other non-financial assets:		
Prepayments	30	11
Total other accounts receivable and prepayments	1 588	987

As at 31 December 2023 receivable from subsidiaries are presented by a royalty income receivables for granting a non-exclusive license to use a trade and services mark to its subsidiaries for 2022 and 2023 in amount of EUR 1,687 thousand (31 December 2022: EUR 833 thousand). These balances primarily are denominated in U.S. dollars.

Changes in credit loss allowances for other financial assets during the year ended 31 December are as follows:

(in thousands of Euros)	31 December 2023	31 December 2022
Balance as at 1 January	85	-
Charge in income statement	51	98
Currency translation difference	(7)	(13)
Balance as at 31 December	129	85

The ageing of other financial assets at the reporting date is as follows:

	Gross	Lifetime ECL	Gross	Lifetime ECL
(in thousands of Euros)	31 December 2023		31 December 2022	
Not past due	1 687	(129)	950	(84)
Past due 1-30 days	-	-	92	(1)
Past due 31-120 days	-	-	19	(0)
Total other accounts receivable	1 687	(129)	1 061	(85)

Other financial assets that are past due relate to customers with no recent history of significant indebtness or default and hence management believes collection is probable.

6. CASH AND CASH EQUIVALENTS

As at 31 December 2023, amount of cash in bank is EUR 95 thousand (31 December 2022: EUR 417 thousand). There is no restricted cash.

Cash and cash equivalents by currencies are presented in table below:

(in thousands of Euros)	31 December 2023	31 December 2022
PLN	86	86
USD	7	218
EUR	2	113
Total cash and cash equivalents	95	417

7. EQUITY

The authorized share capital as at 31 December 2023 and 31 December 2022 amounts to EUR 300,000 and consists of 30,000,000 ordinary shares with a nominal value of EUR 0.01 each. As at 31 December 2023, 25,000,000 shares are issued and fully paid.

Shareholders structure as at 31 December is as follows:

	31 December 2023	31 December 2022
Astarta Holding N.V.		
Ivanchyk family	40,26%	40,00%
Fairfax Financial Holdings LTD and its subsidiaries	29,91%	29,91%
Other shareholders	29,83%	30,09%
	100,00%	100,00%

The long-term incentive plan issued to management, as disclosed in Note 13, has a dilutive effect on calculation of weighted average number of shares and earnings per share.

In 2023 and 2022 there were no pledged shares. For movements in equity refer to the statement of changes in equity.

With respect to the total equity, not all reserves are available for distribution to the shareholders. The restricted reserves, which are not available for distribution to the shareholders, include the following:

- Revaluation reserve represents share in OCI related to the accumulated gain on revaluation of property, plant and equipment of EUR 77,524 thousand (31 December 2022: EUR 97,057 thousand) presented within revaluation reserve caption in the balance sheet;
- Other reserve represents share in OCI related to the accumulated loss from currency translation adjustment of EUR 426,274 thousand (31 December 2022: loss of EUR 386,066 thousand) presented within other reserve caption in the balance sheet.
- Retained earnings represents share in accumulated profit and loss earned by the subsidiaries and the Company's profit or loss.

As at 31 December 2023 the Company held 654,355 of treasury shares with the total cost of EUR 5,325 thousand. Based on the Company's Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company's shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023. As at 31 December 2022 the Company had 750,000 of treasury shares with total cost of EUR 6,103 thousand.

On 24 May 2023 the Annual General Meeting of the Company declared a resolution to pay a distribution of EUR 0.50 per share on all ordinary shares in total amount of EUR 12,500 thousand. On 16 June 2023 dividends were paid for all shares except for treasury shares in amount of EUR 12,125 thousand. No dividends declared and paid in 2022.

8. ROYALTY INCOME

The Company's royalty income is presented by a royalty income received for granting a non-exclusive license to use a trade and services mark to its subsidiaries for 2023 in amount EUR 911 thousand (2022: EUR 872 thousand).

9. INTEREST INCOME RELATED PARTIES

The Company's interest income is presented by interest income received for loans granted to subsidiaries for 2023 in amount of EUR 23 thousand (2022: EUR 11 thousand).

10. INCOME TAXES

Since September 2022 the Company is subject to Cyprus corporate income tax as 12,5% rate. Before migration the Company was subject to Dutch corporate income tax at 25% rate.

Income tax expense for 2023 is accrued in amount of EUR 69 thousands. There is no income tax payable as at 31 December 2023.

(in thousands of Euros)	2023	2022
Profit before tax	**62 005**	65 192
Income tax expense at statutory rate of 12,5%/25%	**(7 751)**	(8 149)
Effects of different tax rates in other countries	-	(92)
Share in profit of participations	**7 725**	8 079
Non-taxable income/(expense)	**(44)**	(68)
Adjustments for current tax of prior period	**(33)**	-
Previously unrecognised tax loss that is used to reduce tax expense	-	202
Income tax expense	**(102)**	(28)

11. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company has no employees other than directors. Hence, it did not pay any wages and related social security contributions. Director's remuneration disclosed in Note 13.

12. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about exposure to each of these risks and the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these separate financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Accounts receivable

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered.

The Company establishes an allowance that represents its estimate of lifetime expected credit losses in respect of other receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to current and macroeconomic information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- probability that the borrower will enter bankruptcy.

The information about the exposure to credit risk and ECL for other receivables as at 31 December 2023 provided in Note 5.

Maximum exposure to credit risk in respect to financial guarantees issued by the Company is disclosed in Commitments section below.

Commitments

As at 31 December 2023 and as at 31 December 2022 there were no pledged shares.

As at 31 December 2023 the Company has guaranteed repayment of certain loan agreements incurred by the Group subsidiaries in amount of EUR 40,1 million (2022: million EUR 38,1 million). Loans taken by the Group subsidiaries which repayment is guaranteed by the Company are fully secured by subsidiaries' assets.

The table below summarises the maturity profile of these loans on contractual undiscounted payments (including future interest payments):

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years
31 December 2023	40 134	44 689	16 974	15 281	12 434
31 December 2022	38 109	40 405	22 770	8 211	9 425

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

The Company is exposed to currency risk on other accounts receivable and loans issued that are denominated in a currency other than the functional currency of the Company. The currency in which these transactions primarily are denominated is U.S. dollars. In order to hedge exposure to foreign currency risk, management attempts to balance the amount of payments in foreign currencies.

The exposure to foreign currency risk related with U.S. dollars is as follows:

(in thousands of Euros)	31 December 2023	31 December 2022
Loan granted to subsidiary	**634**	820
Other accounts receivable	**1 558**	975
Cash and cash equivalents	**93**	218
Net exposure	**2 285**	2 013

13. RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties in the ordinary course of business. Related parties comprise the Company's shareholders, companies that are under control of the Company's shareholders, subsidiaries of the Company, key management personnel and their close family members and companies that are controlled or significantly influenced by the shareholders. Prices for related party transactions are determined on a market basis.

The following table summarises transactions that had been entered into with subsidiaries controlled by the Company for the year ended 31 December:

(in thousands of Euros)	2023	2022
Share in profit of participations	**61 798**	64 632
Royalty income	**911**	872
Interest income from subsidiaries	**23**	11

The following table summarises balances with subsidiaries controlled by the Company as at 31 December:

(in thousands of Euros)	31 December 2023	31 December 2022
Investments in subsidiaries	**496 515**	487 019
Loan granted to subsidiaries	**634**	820
Other accounts receivable	**1 558**	750

Directors remuneration

The Company is managed by the Board of Directors which consists of six members: three Executive Directors and three Non-Executive Directors. The composition of the Board of Directors is as follows:

Viktor Ivanchyk	Executive Director
Savvas Sotiri Perikleous	Executive Director
Viacheslav Chuk	Executive Director
Howard Dahl	Chairman of the Board, Non-Executive Director
Gilles Mettetal	Non-Executive Director
Markiyan Markevych	Non-Executive Director

The remuneration received by executive and non-executive Board members is specified below:

(in thousands of Euros)	Financial year	Fixed remuneration	Variable remuneration	Total remuneration
Chairman of the Board	2023	75	-	**75**
	2022	75	-	**75**
Other Non-executive Board members (combined)	2023	80	-	**80**
	2022	80	-	**80**
Executive Directors (combined)	2023	681	942	**1 623**
	2022	676	-	**676**
Total remuneration	**2023**	**836**	**942**	**1 778**
	2022	**831**	**-**	**831**

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totaling six persons). Mr.Viktor Gladky was acting as the Executive Director until 21 August 2023. Mr.Viacheslav Chuk was acting as the Executive Director from 21 August 2023.

Executive Directors who take part in a day-to-day operating activity of the Company, are entitled to a remuneration package consisting of an annual fixed and variable remuneration. Variable remuneration comprises long-term incentives based on a share option plan and short-term incentives in the form of bonuses.

Remuneration of key management for the year ended 31 December 2023 was EUR 1,778 thousand (2022: EUR 831 thousand). This remuneration consisted of two components: fixed remuneration of EUR 836 thousand (2022: EUR 831 thousand), variable remuneration in the form of bonuses of EUR 942 thousand (2022: were not accrued).

In addition to the above expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2022 were accrued for Executive Directors in the amount of EUR 858 thousand. These expenses are not part of total 2022 remuneration in the table above, as these LTI awards were not received by management. Expenses on the long-term incentive plan ("LTI") for the year ended 31 December 2023 were not accrued for Executive Directors.

Based on the Company's Remuneration Policy a resolution of the Board of Directors was approved on 24 May 2023 to grant one of the Executive Directors with free of charge transfer of Company's shares in the quantity of 95,645 for achievement of the long-term incentive target. The shares were transferred in October 2023.

According to the mentioned Resolution of the Board of Directors one of the Executive Directors was also entitled to receive a free of charge transfer of Company's shares in the quantity 124,755 for achievement of the long-term incentive target. Such transfer is yet to be performed.

Loans and guarantees

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

The accumulated balance in equity for key management personnel presented by share-based incentive plans as at 31 December are as follows:

(in thousands of Euros)	2023	2022
Executive Directors (combined)	900	1 590
Total balance	**900**	**1 590**

The amount due from the Company's Directors as at 31 December 2023 is nil (31 December 2022 nil).

14. AUDIT FEES

The following audit fees relate to the audit of 2023 and 2022 financial statements, regardless of whether the work was performed during the financial year.

		(in thousands of Euros)	
2023	**PWC - Ukraine**	**PWC - Cyprus**	**Total Networks**
Audit of the financial statements	63	40	103
Other audit services	153	-	153
Tax services	-	-	-
Other non-audit services	-	-	-
Total fees	**216**	**40**	**256**

		(in thousands of Euros)	
2022	**PWC - Ukraine**	**PWC - Cyprus**	**Total Networks**
Audit of the financial statements	69	40	109
Other audit services	196	-	196
Tax services	-	-	-
Other non-audit services	-	-	-
Total fees	**265**	**40**	**305**

Other audit services include fees related to the audit of standalone financial statements of Ukrainian subsidiaries.

15. EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no subsequent events to mention.

MEMBERS OF THE BOARD OF DIRECTORS OF ASTARTA HOLDING PLC

Viktor Ivanchyk	Executive Director	*(signed)*
Viacheslav Chuk	Executive Director	*(signed)*
Savvas Perikleous	Executive Director	*(signed)*
Howard Dahl	Non-Executive, Independent Director	*(signed)*
Gilles Mettetal	Non-Executive, Independent Director	*(signed)*
Markiyan Markevych	Non-Executive Director	*(signed)*

PERSON RESPONSIBLE FOR THE PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS OF THE COMPANY

Liliia Lymanska	Chief Financial Officer of LLC firm “Astarta-Kyiv”, main operating subsidiary of ASTARTA HOLDING PLC	*(signed)*

15 April 2024

Nicosia, Cyprus

Independent Auditor's Report

To the Members of ASTARTA HOLDING PLC

Report on the Audit of the Consolidated Financial Statements and Separate Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements and separate financial statements of ASTARTA HOLDING PLC (the "Company") and its subsidiaries (together the "Group") give a true and fair view of the financial position of the Group and the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated financial statements and separate financial statements which are presented in pages 106 to 197 and comprise:

- the consolidated statement of financial position and the separate statement of financial position as at 31 December 2023;
- the consolidated income statement and the separate income statement for the year then ended;
- the consolidated statement of comprehensive income and the separate statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity and the separate statement of changes in equity for the year then ended;
- the consolidated statement of cash flows and the separate statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements and separate financial statements, which include material accounting policy information.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements and separate financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We remained independent of the Group and the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements and separate financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty related to going concern

We draw attention to Note 2(b) to the consolidated financial statements and to Note 2 to the separate financial statements, which indicate that since 24 February 2022 the Group's and Company's operations are significantly affected by the ongoing military actions in Ukraine and the magnitude of further developments or the timing of cessation of those actions are uncertain. As stated in Note 2(b) to the consolidated financial statements and Note 2 to the separate financial statements, these events or conditions, along with other matters as set forth in Note 1(b) to the consolidated financial statements and Note 2 to the separate financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the 'Material uncertainty relating to going concern' section, we have determined the matters described below as the key audit matters that should be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of the Group's right of use assets and property, plant and equipment in agriculture and cattle farming segments Refer to Notes 2, 4 and 5 to the consolidated financial statements for related disclosure As at 31 December 2023, the Group has property, plant and equipment ("PP&E") in the cattle farming segment with the carrying amount of UAH 607 million (EUR 14 million) and PP&E and right of use assets in the agriculture segment with the carrying amount of UAH 3,987 million (EUR 94 million) and UAH 4,297 million (EUR 102 million) respectively. Management identified impairment indicators as at 31 December 2023 and therefore performed an impairment test in relation to these segments, as required by IAS 36 Impairment of assets. The impairment test is highly judgemental which requires use of unobservable inputs. The assumptions with the most significant impact on the recoverable amount calculations were, sales prices of crops, production	Our audit procedures included the following: - We assessed the reasonableness of management's judgements applied in determining the CGUs. - We assessed the competence, capabilities and experience of management in preparing the impairment models and evaluated the appropriateness of these models. - We evaluated key assumptions applied such as sales prices and production costs, to which the outcomes of the impairment assessment are the most sensitive taking into account the current operating environment of the Group. We compared these assumptions to the historic performance of the Group, internal budgets, market data and general industry outlooks to assess whether the assumptions used were reasonable. - We evaluated management's ability to reasonably estimate cash flow forecasts by

costs and discount rate for the agriculture segment and sales prices of milk and meat, production costs and discount rate for the cattle farming segment. The Group measured the recoverable amount of property, plant and equipment and right of use assets at the Cash Generating Unit (CGU) level using the value in use approach applying the discounted cash flow technique. The cash flows utilised in this exercise were based on approved future budgets, historical performance and extrapolated forecasts using different price indexes applicable to relevant input data. As explained in Notes 1(b) and 2(h) to the consolidated financial statements, the aforementioned impairment test is affected by the current operating environment of the Group. Due to the critical accounting judgement involved, including the sensitivity of the assumptions and the current economic environment that the group operates, we consider this area to be a key audit matter. We also considered this to be a key audit matter for the audit of the separate financial statements as it impacts financial position and performance of the Company standing alone through equity accounting for the Company's investments in subsidiaries.	comparing actual results to management's historical forecasts. - We engaged our internal valuation experts who assisted in the assessment of reasonableness and appropriateness of the discount rates applied by management in the impairment models. - We verified the mathematical accuracy of the calculations performed by the Group. - We evaluated the adequacy and mathematical accuracy of the sensitivity analysis performed by management in relation to the impairment test exercise. - We verified the adequacy and sufficiency of the management's disclosures in the relevant notes to the consolidated financial statements. The results of the above procedures were satisfactory for the purposes of our audit.
Valuation of biological assets Refer to Notes 2 and 6 to the consolidated financial statements for related disclosure The Group measures biological assets (crops and livestock) at fair value less costs to sell in accordance with IAS 41 Agriculture and IFRS 13 Fair Value Measurement. As presented in the consolidated statement of financial position, current biological assets, comprised of winter wheat and rapeseeds amounting to UAH 690 million (EUR 16 million) and corn of the 2022/23 season, which were not yet harvested as of 31 December 2023 amounting UAH 48 million (EUR 1 million). Non-current biological assets, mainly consisting of cattle, amounted to UAH 1,545 million (EUR 37 million). The Group assesses the fair value less cost to sell of its biological assets based on the discounted cash flow technique. The assessment process is complex and judgmental. The key assumptions used in the preparation of future cash flow are: • expected yields; • selling prices; • discount rates. Due to the absence of an active market the valuation	Our audit procedures included the following: - We evaluated the appropriateness of the accounting policy used by management for the valuation of biological assets. - We evaluated the appropriateness of the methodology used by management for the valuation of biological assets. - We verified that valuation methods used are in accordance with IAS 41, IFRS 13 and consistent with international valuation standards and industry practices. - We assessed the reasonableness of certain key assumptions used by management by challenging those assumptions through reference to historical data (yields) and, where applicable, external benchmarks (prices) and market data taking into account the current operating environment of the Group. We also compared those key assumptions to the ones used in the approved next year budget and historical performance, where considered relevant, and evaluated rationale for any change. - We engaged our internal valuation experts and evaluated the reasonableness and appropriateness of the discount rate utilised in

is based on unobservable data from the Group's internal agricultural, sales and financial reporting experts who accumulate this information based on prior years' performance and publicly available resources, therefore inherently susceptible to the risk of material misstatement. As explained in Notes 1(b) and 2(h) to the consolidated financial statements, the valuation of biological assets is affected by the current operating environment of the Group. Therefore, we consider valuation of biological assets to be a key audit matter for our audit of the consolidated financial statements. We also considered this to be a key audit matter for the audit of the separate financial statements as it impacts the financial position and performance of the Company standing alone through equity accounting for the Company's investments in subsidiaries.	the valuation adopted by management. - We assessed the competence, capabilities and experience of management in preparing the valuation model. - We verified the mathematical accuracy of the valuation model - We evaluated the adequacy and mathematical accuracy of the sensitivity analysis performed by management in relation to the valuation of biological assets. - We verified the adequacy of the management's disclosures in the relevant notes to the consolidated financial statements. The results of the above procedures were satisfactory for the purposes of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Overview, Report on Operations, Sustainability, Management report and Corporate governance report but does not include the consolidated financial statements and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements and Separate Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 21 March 2023 by the Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 2 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements and separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on *12 April 2024* in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and the Company and which have not been disclosed in the consolidated financial statements and separate financial statements or the consolidated and separate management report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of ASTARTA HOLDING PLC for the year ended 31 December 2023 comprising an XHTML file which includes the consolidated financial statements and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2023 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of ASTARTA HOLDING PLC is responsible for preparing and submitting the consolidated financial statements and separate financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of ASTARTA HOLDING PLC. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated financial statements and separate financial statements included in the digital files correspond to the consolidated financial statements and separate financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated financial statements and separate financial statements. The separate financial statements included in the digital files, are presented in all material respects, in accordance with the requirements of the ESEF Regulation . The consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements and separate financial statements.
- In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the consolidated financial statements and separate financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Nicos A. Theodoulou.

Nicos A. Theodoulou
Certified Public Accountant and Registered Auditor
for and on behalf of
PricewaterhouseCoopers Limited

Certified Public Accountants and Registered Auditors
PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

15 April 2024