ANNUAL REPORT

2021

ASTARTA Holding N.V.

COMPANY AT A GLANCE

One of the Top-5 Ukraine's agricultural businesses by land bank

22% market share in domestic sugar production

One of the largest soybean processors in Ukraine

№1 country's industrial milk producer

Dividends for 2020
EUR0.5
per share

Market capitalization (as of 31/12/2021)
EUR231m

EBITDA margin
41%

Export share (by volume)
45%

Exports to
50 countries

Total storage capacity of
562kt

Domestic sugar sales
290kt

4,820
employees

36%
of total workforce are women

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

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INDEPENDENT AUDITOR'S REPORT

For the purposes of the Dutch Civil Code the Director's report constitutes the following sections of this document: the Overview, Report on Operations, Sustainability, Corporate Governance report (excluding Remuneration report).

LETTER TO SHAREHOLDERS

Dear colleagues and friends,

2022 started traditionally with the analysis of Astarta's annual results and us preparing to proudly present them to our stakeholders. By mid-February large part of this report was prepared with optimism and confidence in the future as the strong results of 2021 give us confidence for ambitious development plans.

Little did we know about an imminent danger of a full-scale invasion from Russia that brought immeasurable pain and distress to all Ukrainians. One can read the details of Astarta's operating and financial results for 2021 in this Annual Report but let us briefly describe the state of current affairs.

Since the February 24, 2022, Ukraine faces in a new reality in which core human rights such as to life and safety are at risk. Thus, starting from this day the key goals of the Company are the health and safety of its employees and their families, as well as continuity of its operations under the warfare conditions.

Astarta's top management stayed in Ukraine to support employees and mobilize all efforts to sturdy the asset base and production processes. As Astarta is one of the top domestic food producers it plays a crucial role in securing the food safety for Ukraine. Astarta's team works 24/7 on providing humanitarian aid, running its business operations and maintaining food security.

The management believes that Astarta has to contribute to the provision of food for civilians and army, provide necessary assistance and shelter to those who lost home and had to move to other regions of Ukraine. The Company also joined the World Food Programme by offering inhouse logistic capability for delivery of humanitarian aid across the country.

The management and all employees bear the responsibility to plant, grow, harvest and deliver key agricultural crops to domestic and overseas customers.. Ukraine is able to grow and supply food products to the international market even under current extreme conditions. That's why Astarta and its industry peers continue to deliver on its key mission.

At the time of this report Astarta's assets in the key regions of our presence are intact despite heavy military infighting in several Ukrainian regions. Each day the Company's employees go into the fields to perform routine work except for 4kha of

farmland located in the Chernihiv region. Astarta has secured key inputs for the spring planting and is in the process of obtaining supplies in preparation for the harvesting and processing of crops.

Without any doubt this year's agricultural season will be the most difficult one in Astarta's business history and in Ukraine. At the same time the Company's operations are supported by its professional and brave employees, its financial partners, suppliers, customers and other stakeholders. There is the strongest foundation ever to overcome any challenges and contribute to the victory of Ukraine and its people..

Sincerely,
Viktor Ivanchyk
Founder and CEO

ASTARTA'S HISTORY

Astarta is one of the largest vertically-integrated agroindustrial 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.

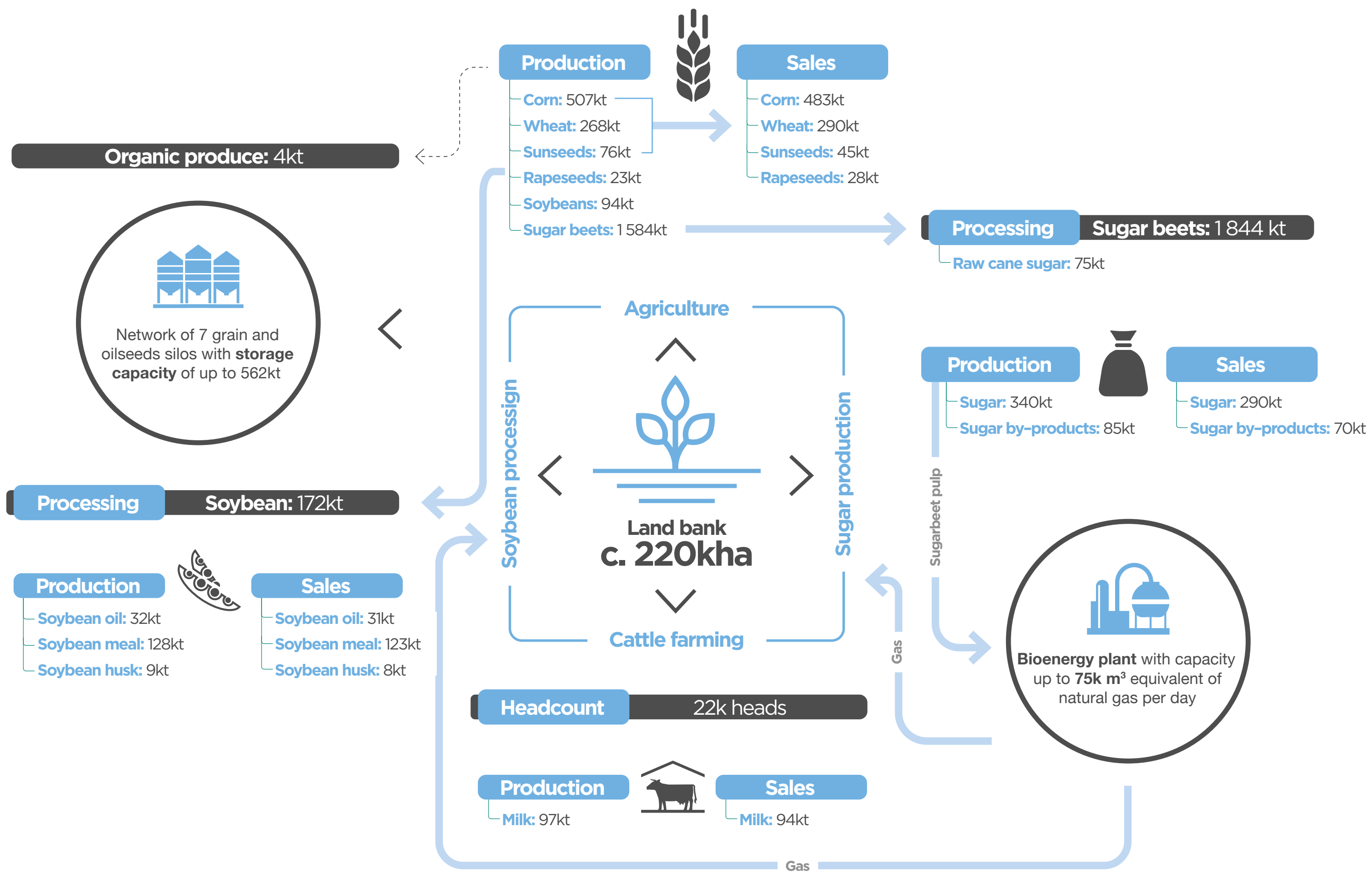
Since 1993, the Company has proven to be a reliable and trustworthy partner and supplier, committed to best international standards in terms of quality, innovation, and sustainability. Integrity, transparency, and strengths of its human capital has also been among Astarta's key priorities. The Company maintains a nation-wide presence with around 5k employees based at its production and storage facilities in seven regions. Their dedication and expertise determine Astarta's success.

The Company has established stable long-term business relationships with leaders of the Ukrainian food processing, confectionary and retail industries. The Company exports its produce to 50 countries.

Astarta's achievements have been built on continued development and innovation to meet changing needs of its customers, to improve operations and to work with independent crop growers via the Partnership Centre to ensure sustainable agricultural production.

Through an effective leadership effort from everyone across the Company, combined with the right resources and trust in regional teams, Astarta delivered revenues and operating profit at levels way above previous years.

BUSINESS MODEL



AGRICULTURE

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

SOYBEAN PROCESSING

- One of the biggest soybean processors in Ukraine with 13% share.
- 43% of inhouse high quality non-GMO soybeans.
- Partnerships with local farmers to secure soybeans supply.

SUGAR PRODUCTION

- Certified producer of high-quality sugar
- Six sugar production plants.
- Biggest sugar producer in Ukraine with 22% market share.
- Self-sufficient in raw materials with 80% of sugar beet grown in-house.
- Partnerships with local farmers to secure sugar beets supply.

CATTLE FARMING

- Biggest industrial dairy farmer supplying premium quality milk in Ukraine.
- 22k heads of cattle.
- 97kt of milk produced.
- Own feed centre and inputs.

Astarta aims at maximising value for all stakeholders through organic growth of its core business segments. At the same time, long-term value creation is viewed by Astarta through the prism of sustainability of its business model with the particular attention to the environmental and social aspects.

ENVIRONMENTAL ASPECT	SOCIAL ASPECT
The aim of Astarta's strategy is to contribute to environmental objectives by using elements of carbon farming and similar sustainable technologies. Astarta has a huge potential in carbon sequestration through organic or carbon farming which implies reduced tillage, planting cover crops, among, others and building up organic matter in the soil, thereby improving its health. This way organic farming contributes to removal of CO_2 from the atmosphere. Such regenerative farming also contributes to the protection and restoration of biodiversity as it implies reduced mechanical treatment of the soil which is one of the reasons for biodiversity decline. It also contributes to the transition to a circular economy through the reduction of use raw materials such as fertilizers. Astarta strategy implies gradual switch to reduced tillage at its farms. Astarta also continuously works on the improvement of its production assets and renewal of agricultural equipment increase efficiency in use of natural resources, prevent or minimise impact on environment.	Social aspect of Astarta's business is hard to overestimate as people is its most valuable resource. The aim of our strategy is to build favourable environment for sustainable development, cooperation and comfortable life of people with whom we interact in the course of our activities. The key components of the strategy are human capital, employees' development, human rights, community relations, occupational health and safety. Realisation of the strategy is conducted through different projects directed at the development of communities, establishing of safe and comfortable working conditions, promoting diversity etc (for more information refer to the section Local Communities of this report). Thereby, Astarta sets up a strong basis for future growth within sustainable business model.

INNOVATIONS AND R&D

Innovations is the important element of Astarta's business model as they can provide for 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 core of AgriChain is a WEB-portal, consisting of eight modules aimed at streamlining business processes in the sphere of farmland management, field operations, storage, purchase and supply processes, crop monitoring, agrochemical soil and meteorological data and plant vegetation status (NDVI). In 2021 a new module of the software dedicated to crop monitoring, called "AgriChain Scout", was extended to cover 100% of the Company's arable land area (vs 75% in 2020). The system is aimed at improving harvest predictability by integrating crop monitoring, agrochemical status, meteorological data and plant vegetation status.

VALUE CREATION

FOR PEOPLE

Astarta believes that people are the most vulnerable and valuable capital of its business. Thus, 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.
To this end, Astarta not only meets the requirements of local legislation but also implements in-house initiatives focusing on the needs of personnel. Among them are medical insurance or wellness programmes, talent pool, a "Think Tank" for employees' ideas management, school of internal coaching, scholarship programme etc.

By conducting its business Astarta creates jobs mainly in the rural area. In 2021 the Company employed 4,820 people 92% of which were employed in the rural area.

Beside comfortable working conditions Astarta offers competitive wages. In 2021 average salary in Astarta was UAH20k per month, or 44% higher compared to an average Ukrainian salary.

Total contribution of the Company in the form of salary, wages and additional financial incentives was EUR57m in 2021.

FOR SHAREHOLDERS AND CREDITORS

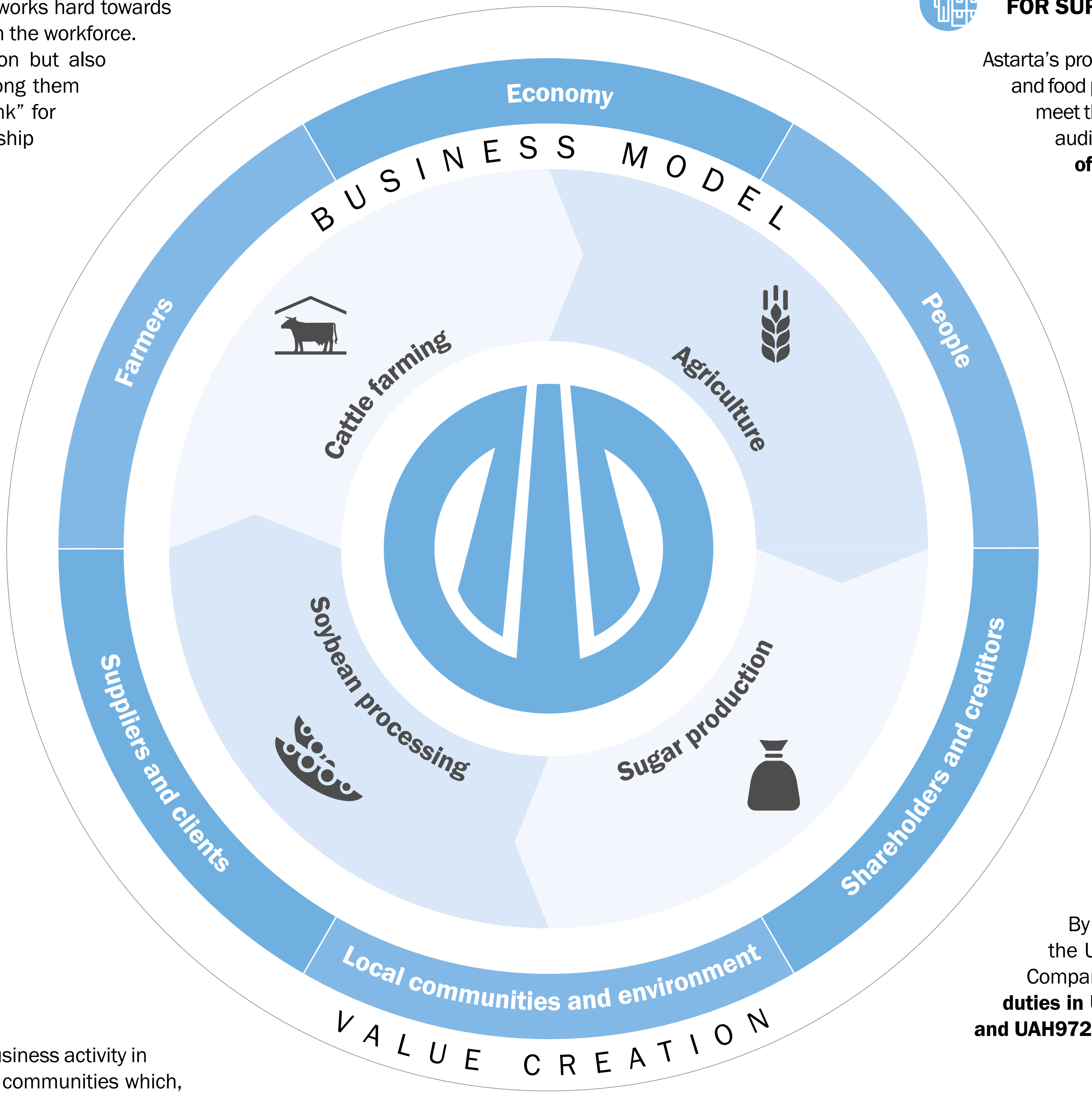
Astarta proved to be a reliable and trusted financial partner for top local and international financial institutions. During its history Astarta built mutually beneficial relations with its financial partners. In 2021 Astarta made EUR3m in loan interest payments.

One of the Company's top priorities is increasing value for the shareholders. Astarta strives to build strong relations with shareholders through meeting their expectations. **In 2021 it made a debut dividend payment for 2020 of EUR12m or EUR0.5 per share.**

FOR LOCAL COMMUNITIES AND ENVIRONMENT

Astarta is one of the largest land operators in Ukraine which conducts its business activity in different regions of Ukraine. Its nature implies strong involvement of local communities which, among others, include landowners who lease out land to the Company.

Astarta carries out dedicated programmes in the sphere of healthcare, education, culture, infrastructure etc. In 2021 the Company spent EUR0.9m on such projects. Astarta operates c. 220kha of land leased from almost 57k landowners-physical individuals through lease agreements. **Total amount of payments of interests on lease liabilities in 2021 was EUR21m.**



As a big agroindustrial holding Astarta operates production assets and infrastructure which implies certain impact on the environment. Astarta conducts its business in alignment with policies, requirements of local legislation, and the commitment to international standards and best practices. the Company endeavours to minimise its negative impact and to maximize potential benefits. With this purpose Astarta continuously conducts modernisation of its assets, introduces modern technologies, increases operational efficiency. By way of an example, Astarta's biogas facility uses renewable sources as a raw material for biogas production and the application of modern agricultural technologies expand sustainability principals into its business model. **EUR2.4m spent on CSR and environmental programmes.**

FOR SUPPLIERS AND CLIENTS

Astarta's production assets and infrastructure in Ukraine create a value chain in agriculture and food processing. The Company takes best efforts to improve its assets and products to meet the highest requirements of clients. Assets are permanently assessed by external audits to confirm high quality of the products produced. **In 2021 Astarta sold 290kt of sugar, 861kt of grains and oilseeds, 161kt of soybean products and 94kt of milk resulting in EUR491m of total sales.**

Considering its business scale the Company deals with significant number of suppliers. In 2021 Astarta had 13k suppliers. **Spending for products and services received from the suppliers totalled EUR250m in 2021, with more than 80% derived from local suppliers.**

FOR FARMERS

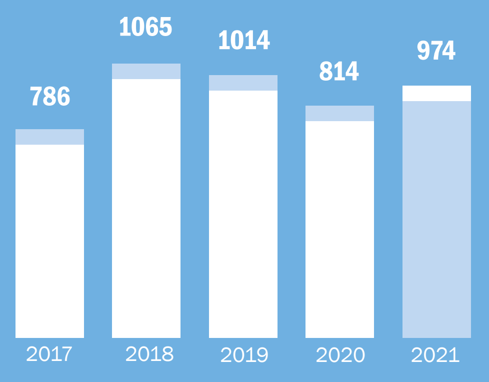
Astarta closely cooperates with local farmers on supply of sugar beets to sugar plants as well as grains and oilseeds to silos. The Company strives to establish strong relations with farmers located in the regions of Astarta's operations. With this purpose the Company created a Centre for Partnerships with Independent Farmers and developed dedicated programmes which include finance and agricultural services as well as supply of various farming inputs. **In 2021 Astarta procured over 360kt of sugar beet and 120kt of grains and oilseeds from local farmers.**

FOR THE ECONOMY

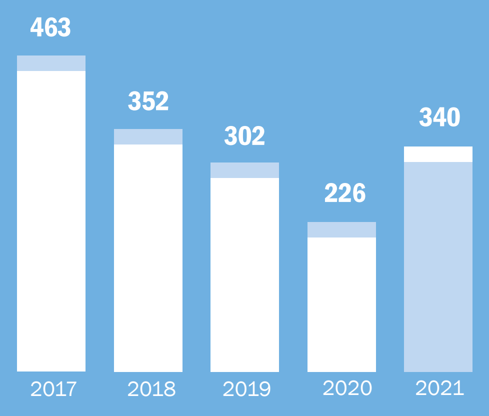
By conducting its business Astarta directly and indirectly creates value for the Ukrainian economy. One of the key direct contributions is taxes paid by the Company. **In 2021 Astarta paid a total of UAH1.6bn (EUR52m) in taxes and duties in Ukraine including UAH614m (EUR20m) into the State budget of Ukraine and UAH972m (EUR31m) in the local budgets of the regions of Astarta's presence.**

KEY OPERATIONAL RESULTS

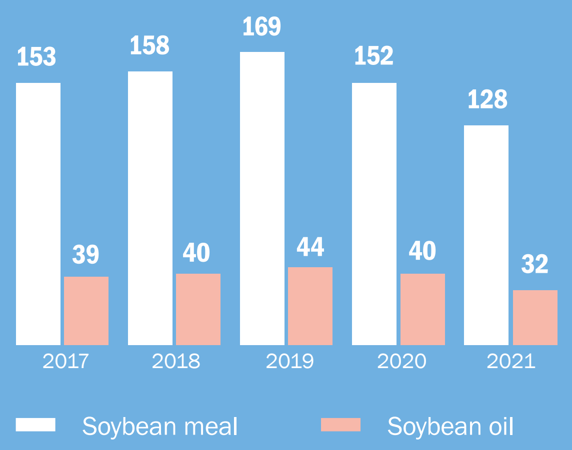
GRAIN AND OILSEEDS PRODUCTION, kt



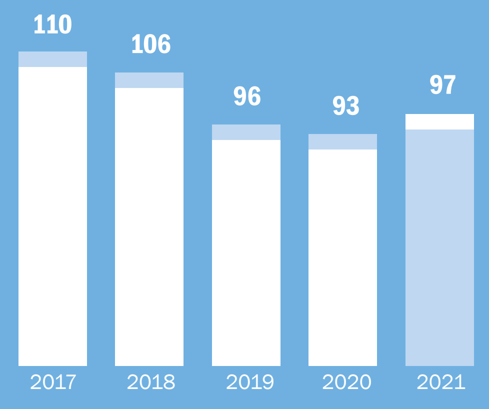
SUGAR PRODUCTION, kt



SOYBEAN MEAL AND OIL PRODUCTION, kt

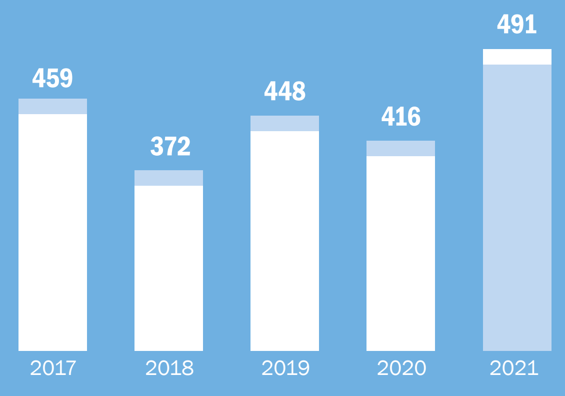


MILK PRODUCTION, kt

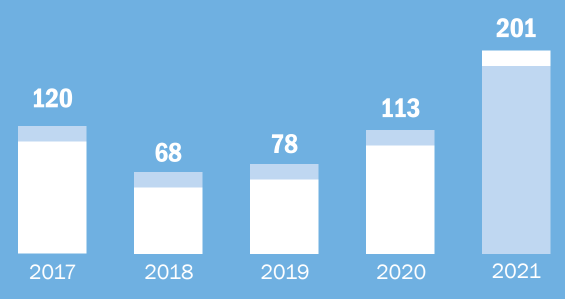


KEY FINANCIAL RESULTS

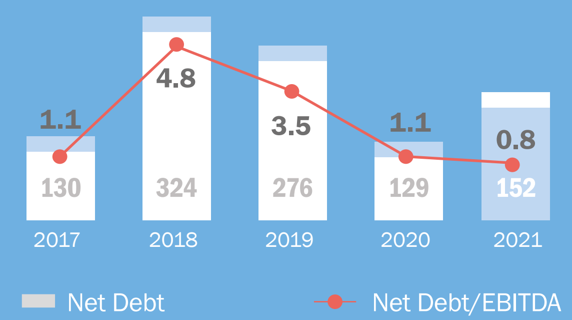
REVENUES, EURm



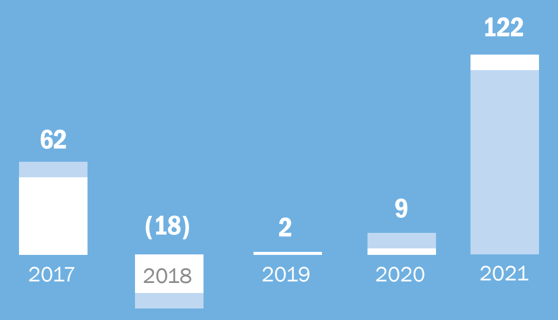
EBITDA, EURm*



NET DEBT, EURm, NET DEBT TO EBITDA, x*



NET PROFIT, EURm



* 2017 data is before IFRS16

SELECTED FINANCIAL DATA

SUMMARY P&L

EURk	2020	2021
Revenues*, including	**415 630**	**491 355**
Agriculture	175 137	185 049
Sugar production	126 973	170 197
Soybean processing	75 157	89 814
Cattle farming	33 167	38 474
Cost of sales, including	**(348 182)**	**(415 958)**
Effect of FV remeasurement of AP**	(43 314)	(87 747)
Changes in FV of BA and AP**	54 084	143 835
Gross profit	**121 532**	**219 232**
Gross profit margin	29%	45%
EBIT	**56 278**	**150 073**
Depreciation & Amortisation, including:	55 510	51 386
Charge of right-of-use assets	18 729	18 248
EBITDA*, including**	**113 421**	**201 459**
Agriculture	80 190	153 966
Sugar production	21 522	35 671
Soybean processing	7 446	5 084
Cattle farming	8 748	8 804
EBITDA margin	27%	41%
Interest expense on lease liability	(22 162)	(20 814)
Finance costs and income	(10 421)	(3 922)
Forex gain/(loss)	(17 134)	1 003
Net profit/(loss)	**8 611**	**122 491**
Net profit/(loss) margin	2%	25%

** Including grains and oilseeds trading operations in the amount of EUR47m in 2021 and EUR36m in 2020*
*** FV – Fair Value, BA – Biological Assets, AP – Agricultural Produce*
**** EBITDA is calculated as the sum of the profit from operations plus amortization and depreciation*

EURk	2020	2021
Gross Profit, ex BA & AP remeasurement	**110 762**	**163 144**
Gross Margin, ex BA & AP remeasurement	27%	33%
EBITDA, ex BA & AP remeasurement	**102 651**	**145 371**
EBITDA margin, ex BA & AP remeasurement	25%	30%

Astarta's consolidated revenues amounted to EUR491m in 2021, up 18% y-o-y, on higher sales prices of grains, sugar and soybean products. Revenues in the Agricultural segment increased by 6% to EUR185m, 38% of the total consolidated revenues. Revenues in the Sugar Production segment increased by 34% y-o-y to EUR170m. The Soybean Processing and the Cattle Farming segments generated EUR90m and EUR38m of revenues, correspondingly, vis-à-vis EUR75m and EUR33m in 2020. Exports contributed EUR218m, or 44% of the consolidated revenues. Gross profit increased by 80% y-o-y to EUR219m. Cost of sales increased by 19% y-o-y to EUR416m. EBITDA grew by 78% y-o-y to EUR201m on higher contribution from Agriculture and Sugar Production. As a result, Net profit for 2021 totalled at EUR122m, a 14x higher than in 2020.

SUMMARY BALANCE SHEET

EURk	YE20	YE21
Right-of-use asset (mainly land)	94 178	117 058
Biological assets	23 917	27 703
PP&E and other	199 053	200 531
Non-current assets	**317 148**	**345 292**
Inventories, including RMI*	107 482	227 040
Biological assets	21 452	41 438
AR and other	42 826	65 024
Cash and equivalents	22 448	11 763
Current assets	**194 208**	**345 265**
Total assets	**511 356**	**690 557**
Equity	**337 326**	**495 142**
Long-term loans	35 078	20 855
Lease liability (mainly land)	72 600	92 182
Other	5 935	4 668
Non-current liabilities	**113 613**	**117 705**
Short term debt and similar	18 008	17 630
Current lease liability (mainly land)	25 864	33 080
Other	16 545	27 000
Current liabilities	**60 417**	**77 710**
Total equity and liabilities	**511 356**	**690 557**
EBITDA LTM	**113 421**	**201 459**
RMI*	74 074	170 670
Net debt total**	**129 102**	**151 984**
ND total/EBITDA (x)	1.1	0.8
Adjusted net debt = (ND-RMI)	**55 028**	**(18 686)**
Adj ND/EBITDA (x)	0.5	(0.1)
Solvency ratio	**0.7**	**0.7**

**RMI = Finished Goods **Net Debt = LT and ST debt + Lease Liabilities - Cash*

As of the YE21 Lease liabilities grew from EUR98m to EUR125m due to increase in maturity period of lease agreements and land rental rates. Net debt/EBITDA improved from 1.1x to 0.8x. Net debt excluding lease liabilities decreased from EUR31m to EUR27m.

SUMMARY CASH FLOWS

EURk	2020	2021
Pre-tax income	9 209	128 773
Depreciation & Amortisation	55 510	51 386
Financial interest expenses, net	10 433	4 274
Interest on lease liability	22 162	20 814
Changes in FV of BA and AP*	(54 084)	(143 835)
Disposal of revaluation in AP in the COS	43 314	87 747
Forex gain/loss	17 134	(1 003)
Income taxes paid	(2 346)	(5 937)
Working Capital changes	51 222	(85 235)
Other	3 684	305
Operating cash flows	**156 238**	**57 289**
Investing cash flows	**(13 634)**	**(4 017)**
Debt proceeds	81 720	82 016
Debt repayment	(169 430)	(100 151)
Dividends paid	-	(12 155)
Purchase of treasury shares	-	(576)
Finance interest paid	(8 292)	(3 160)
Land lease repayment	(30 949)	(30 827)
Financing cash flows	**(126 951)**	**(64 853)**

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

Astarta reported Operating cash flows of EUR57m vs EUR156m in 2020 due to changes in working capital and fair value of biological assets and agricultural produce reflecting change in soft commodity prices. Operating cash flows before Working Capital changes increased to EUR143m (EUR105m in 2020). Investing cash outflow decreased from EUR14m to EUR4m on the back of proceeds from disposal of subsidiaries. In 2021 the Company distributed annual dividends for 2020 of EUR0.5 per ordinary share, with the total amount of EUR12m.

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AGRICULTURE

Share in consolidated revenues	Segment revenues	Export sales (by value)
38%	EUR 185 m	84%

Higher yields combined with price growth for agricultural products and increased sales volumes of wheat in 2021 turned into a higher Agriculture segment revenues of EUR185m, up 6% y-o-y.

Gross profit more than doubled and reached EUR153m. EBITDA increased from EUR80m in 2020 to EUR154m in 2021, the corresponding margin increased from 46% to 83% in 2021.

Favourable growing conditions in the Company's area of operations boosted production and contributed to record yields in grains and oilseeds, in particularly wheat, soybeans and rapeseeds. All key crops' yields increased significantly in 2021 (+10-30% y-o-y), and the volume of grains and oilseeds reached 974kt, 20% above 2020.

Corn traditionally remained a key crop with 8.6t/ha yield (compared to 6.9t/ha in 2020) and 508kt (+22% y-o-y) output. Sugar beet harvest totalled 1.6mt, 7% higher y-o-y. Soybeans output grew by 51% to 94kt on back of 16% y-o-y increase in acreage to 31kha and a record 3.0t/ha yield.

Agricultural segment is an export-oriented business, with overseas sales accounting for 84% of the segment revenues. Exports of grains and oilseeds by volume amounted to 786kt in 2021, down by 11% y-o-y on lower 2020 harvest which was sold during 2021 calendar year.

FINANCIAL RESULTS

EURk	2020	2021
Revenues, including	175 137	185 049
Corn	94 440	85 126
Wheat	44 726	59 764
Sunseeds	26 914	21 324
Rapeseeds	4 515	14 257
Cost of sales, including	(155 787)	(177 531)
Land lease depreciation	(17 740)	(17 729)
Changes in FV of BA & AP*	52 721	145 262
Gross profit	**72 071**	**152 780**
Gross profit margin	41%	83%
G&A expenses	(12 772)	(16 648)
S&D expenses	(18 129)	(19 962)
Other operating expenses	(2 882)	(1 462)
EBIT	**38 288**	**114 708**
EBITDA	**80 190**	**153 966**
EBITDA margin	46%	83%
Interest on lease liability	(20 132)	(19 220)
CAPEX	(10 182)	(11 465)
Cash outflow on land lease liability	(32 421)	(31 494)

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

KEY CROPS ACREAGE AND GROSS OUTPUT

	2020 kha	2020 kt	2021 kha	2021 kt
Corn	61	418	**59**	**508**
Wheat	48	230	**47**	**268**
Sunseeds	41	89	**28**	**76**
Soybeans	27	63	**31**	**94**
Rapeseeds	1	4	**7**	**23**
Sugar beets	34	1 483	**33**	**1 584**

SALES VOLUMES OF KEY CROPS AND REALIZED PRICES

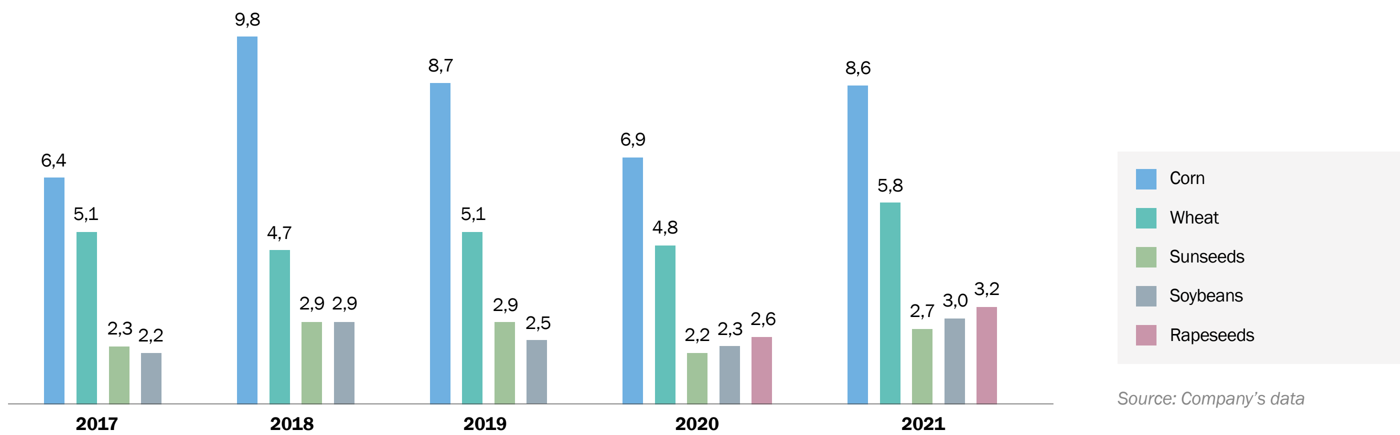
	2020 kt	2020 EUR/t	2021 kt	2021 EUR/t
Corn	630	150	**483**	**176**
Wheat	265	169	**290**	**206**
Sunseeds	83	325	**45**	**469**
Rapeseeds	12	369	**28**	**503**

Second year in a row Astarta practices **organic farming** — production of crops without the use of synthetic chemicals or genetically modified components, thereby promoting healthier and more sustainable use of natural resources. In 2021 the area under organic farming was 1.8kha. Harvest of soybeans, winter wheat, sunseeds, corn, millet and mustard totalled **3.8kt**. Organic produce was sold domestically and exported to EU. All organic products are certified according to Ukrainian and EU legislation on organic farming (Organic Standard and Bio Suisse).

ASTARTA YIELDS VS AVERAGE UKRAINIAN

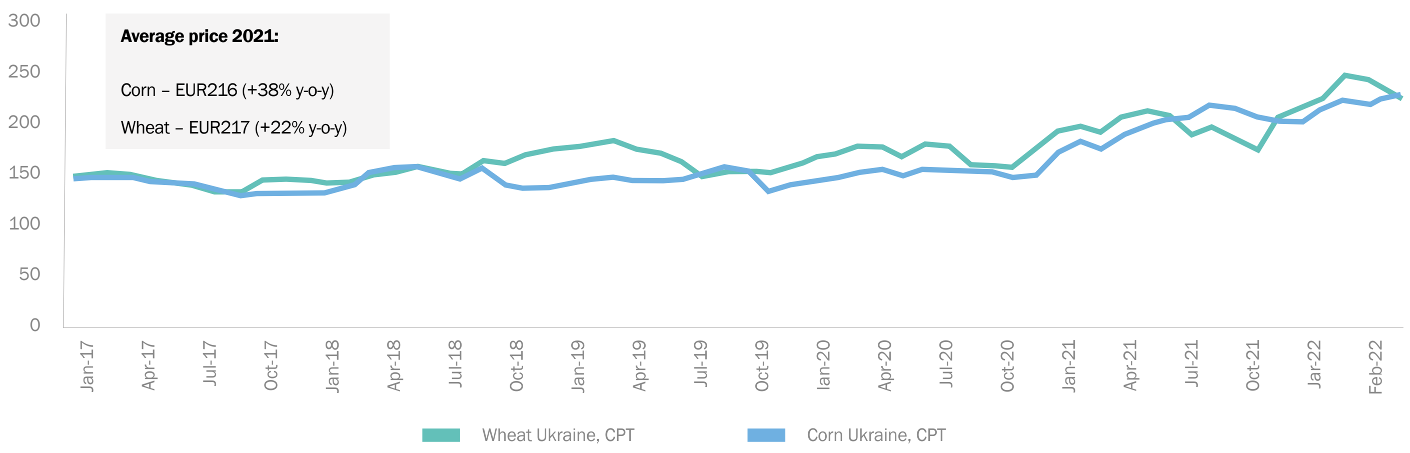
t/ha	2020 AST	2020 UKR	2021 AST	2021 UKR
Corn	**6.9**	5.6	**8.6**	7.5
Wheat	**4.8**	3.8	**5.8**	4.6
Sunseeds	**2.2**	2.1	**2.7**	2.5
Soybeans	**2.3**	2.1	**3.0**	2.7
Rapeseeds	**2.6**	2.2	**3.2**	2.9
Sugar beets	**43**	42	**47**	47

ASTARTA'S GRAINS AND OILSEEDS YIELDS (GROSS), t/ha



Source: Company's data

GRAINS PRICE PERFORMANCE, EUR/t



Source: APK-inform

The Company's silos handled 1.1mt of grain and oilseed crops during 2021, up 34% y-o-y. Extra 12kt silo capacity was added in Krasyliv in the Khmelnytsky region in 2021, increasing the total grain and oilseeds storage capacity to 562kt.

In 2021 the in-house IT AgriChain Scout module was extended to 100% of the Company's arable land area (vs 75% in 2020). The module is aimed at improving harvest predictability by integrating crops monitoring, agrochemical and meteorological data and plant vegetation status.

Along with the overall economy the Ukrainian agriculture was negatively affected by the new Covid variants, subdued economic growth, along with a sharp increase in energy prices, leading higher prices for services and products, including for grain drying, transportation and fertilizers.

According to the Ministry of Agrarian Policy and Food of Ukraine (Minagro) Ukraine had a new record-high harvest of corn in 2021 of 40mt, with an average yield of 7.5t/ha. Corn prices grew by 38% y-o-y supported by the Chinese demand, coming from pork production rebound after a long period of African Swine Fever. Since Ukraine produces high-quality non-GMO corn it received a premium price and preference by China.

2021 wheat harvest totalled 32mt (vs 25mt in 2020) from the area of 7mha (5% higher y-o-y). Wheat yielded 4.6t/ha, compared to 3.8t/ha in 2020. Price positive factors such as poor harvest prospects in USA, Turkey and Iran, export duties on Russian wheat, lower quality crop in the EU helped Ukraine to sell its record harvest to foreign markets at an annual average price of EUR217/t (+22% y-o-y).

In December 2021 the Ukrainian grain prices started a downward slide under the pressure from international markets.

To stem food price growth and to equal fiscal terms for agriculture and food-processing industries, the VAT rate for certain agricultural products, including wheat, corn, soybeans, sunseeds and rapeseeds, was reduced from 20% to 14% from March 2021.

SUGAR PRODUCTION

Share in consolidated revenues	Segment revenues	Domestic sales of sugar
35%	EUR170m	100%

Strong demand and higher prices led to a significant increase in revenues by 34% y-o-y to EUR170m in 2021. Gross profit margin improved by 5pp to 27%. EBITDA increased from EUR22m in 2020 to EUR36m in 2021.

Sugar sales decreased by 12% y-o-y to 290kt in 2021 on lower sugar beet harvest and processing volumes from the previous season.

Favourable weather conditions allowed Astarta to achieve better sugar beet yield (up by 10% y-o-y to 47 t/ha) in 2021. Astarta's sugar plants processed 1.8mt of sugar beets, compared to 1.6mt in 2020. Third-party sugar beet supply was about 20% of total coming from growers via Astarta's Partnership Centre (PC).

"A" grade quality sugar output was 96% of total in 2021 (incl. raw cane sugar processing) versus 99% in 2020 but the total volume increased by 46% y-o-y to 326kt. The share of sugar with turbidity of up to 20 units increased from 31% to 32% of total in 2021.

FINANCIAL RESULTS

EURk	2020	2021
Revenues	126 973	170 197
Cost of sales	(98 728)	(123 711)
Gross profit	**28 245**	**46 486**
Gross profit margin	22%	27%
G&A expenses	(6 118)	(8 667)
S&D expenses	(7 315)	(8 205)
Other operating expenses	(2 708)	(2 045)
EBIT	**12 104**	**27 569**
EBITDA	**21 522**	**35 671**
EBITDA margin	17%	21%
CAPEX	(1 622)	(2 249)

Astarta is the sector leader in Ukraine and increased its share in domestic sugar production to 22% in 2021, also due to adding volumes from raw cane sugar refining.

Major customers include confectionary, beverage and retail companies (c. ½ of total by volume).

Astarta enjoyed positive market environment last year. In the first half of 2021 domestic market faced sugar shortages amid decrease in domestic production in the previous season due to weak sugar beet yields. As a result, sugar price reached USD655/t excl. VAT (up 66% y-o-y).

The Company continuously strengthens customer relationships by focusing on quality, innovations and sustainability. To widen its product range Astarta launched a pilot production of inverted sugar syrup used by beekeepers. Pilot volume of 35t was sold to 75 customers. Following the market acceptance of the new product, the Company plans to increase its output. The project helped to expand Astarta's ecosystem by establishing partnership with beekeeping organisations, key honey producers and exporters.

PRODUCTION	2020	2021
Total sugar production, kt	226	**340**
Sugar from beets, kt	226	**266**
Sugar beet processed, kt	1 559	**1 844**
Own sugar beet, %	86%	**80%**
Sugar from raw cane sugar, kt	nil	**73**
Raw cane sugar processed, kt	nil	**75**

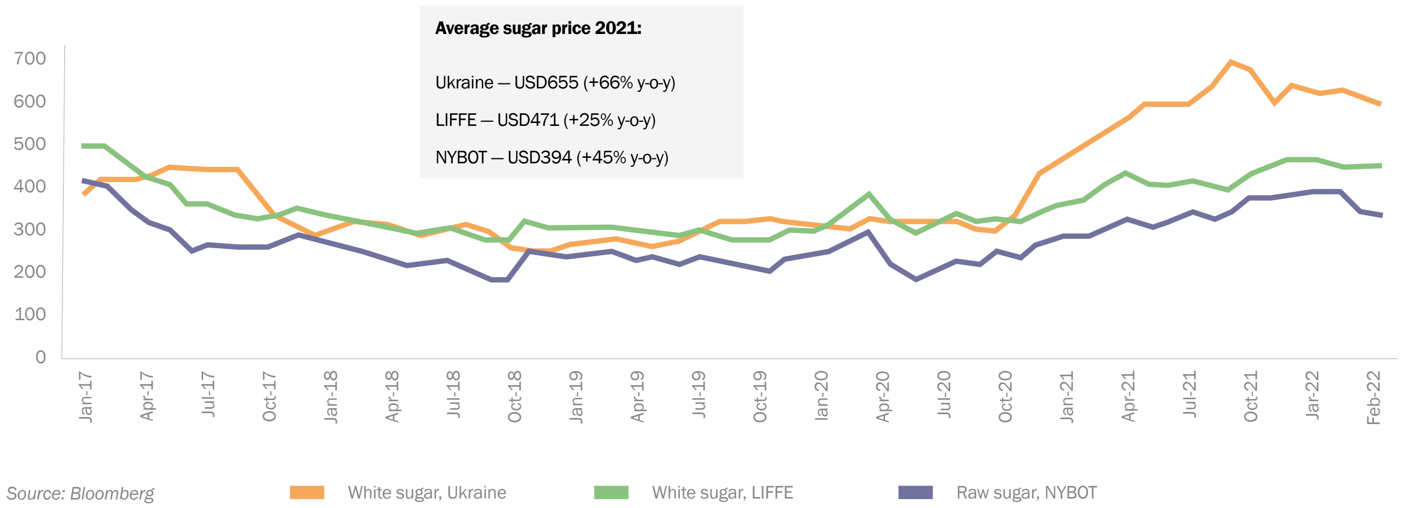
SALES VOLUMES OF SUGAR AND SUGAR BY-PRODUCTS AND REALIZED PRICES	2020	2021
Sugar, kt	329	**290**
Sugar by-products*, kt	91	**70**
Sugar prices, EUR/t	351	**555**

** Granulated sugar beet pulp, molasses*

Ukraine turned into an importer of 124kt (out of 260kt quota for 2021) of raw-cane sugar for processing at a preferential 2% rate of import duty. As a socially responsible company, Astarta was one of two Ukrainian sugar producers to create sugar reserves in the interest of its consumers and ensure food security and price stabilization. The Company's sugar plant refined 61% raw-cane sugar volumes imported into Ukraine for processing in 2021.

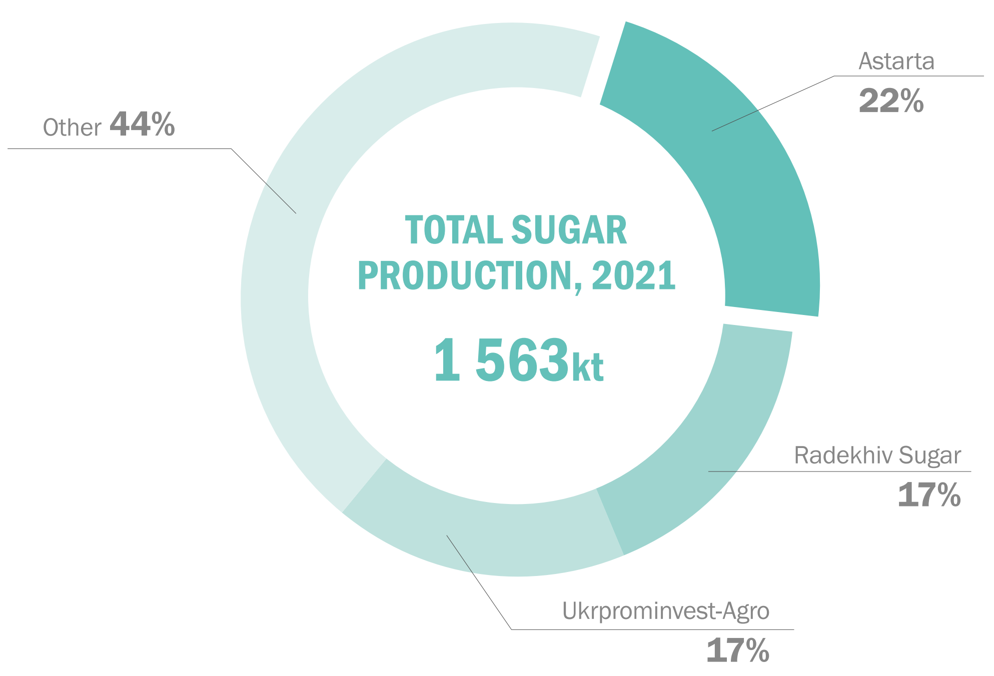
According to the National Association of Sugar Producers "Ukrsugar" beet sugar output totalled 1.4mt (up by 25% y-o-y) with 33 sugar plants running in 2021. As domestic consumption is estimated at 1.3mt, the production is expected to fully satisfy internal demand during the season. The acreage under sugar beet grew to 227kha, or 20kha more than in 2020. Weather conditions were favourable for the plant and sugar content growth (17% in 2021 vs 16% in 2020), yields up to 47t/ha (compared to Ukraine's average 42t/ha in 2020).

GLOBAL SUGAR PRICES, USD/t



Source: Bloomberg

UKRAINIAN SUGAR MARKET SHARE (INCL. RAW SUGAR REFINING), %, 2021



Source: Ukrsugar, Astarta's estimates

The new sugar production season was characterised by sharp gas price increases leading to production cost growth, since energy is the second largest production cost item after sugar beets. Prices for mineral fertilizers also rose and increased costs of growing sugar beets in the new season.

The international sugar market was characterised by production shortfalls in some major producing countries, resulting in a tight global sugar balance and an upward pressure on prices. Since the beginning of 2021, expectations of a sugar deficit, rising global prices for all raw materials and utilities (especially gas) caused white sugar prices to hike to an annual average of USD471/t (increase of 25% y-o-y).

Fluctuations in ethanol pricing linked to price of sugar cane, also contributed to the volatility of prices for raw cane sugar, resulting in an annual average of USD394/t (up by 45% y-o-y).

On the back of domestic sugar market imbalance and high domestic prices sugar exports from Ukraine declined from 151kt in 2020 to 26kt in 2021.

SOYBEAN PROCESSING

Share in consolidated revenues	Segment revenues	Export sales of soybean products (by value)
18%	EUR90m	66%

2021 Soybean Processing segment revenues were boosted by 20% to EUR90m by strong selling prices for soybean products. Gross profit margin went down from 15% to 8% in 2021 due to higher cost of sales. EBITDA decreased by 32% to EUR5m and EBITDA margin dropped by 4pp to 6% in 2021.

Astarta crushed 172kt of soybeans during the reporting period, down by 17% y-o-y, on the back of modest crop harvest in 2020. Share of in-house soybeans processed increased to 43% from 28% in 2020.

Production and sales of soybean meal declined by 16% and 13% to 128kt and 123kt correspondingly as a result of reduced processing volumes of soybeans. While average selling price advanced by 37% y-o-y to EUR462/t.

FINANCIAL RESULTS

EURk	2020	**2021**
Revenues, including	75 157	89 814
Soybean meal	47 873	57 006
Soybean oil	25 999	31 598
Cost of sales	(64 060)	(82 379)
Gross profit	**11 097**	**7 435**
Gross profit margin	15%	8%
G&A expenses	(636)	(774)
S&D expenses	(4 326)	(2 281)
Other operating expenses	(246)	(847)
EBIT	**5 889**	**3 533**
EBITDA	**7 446**	**5 084**
EBITDA margin	10%	6%
CAPEX	(481)	(407)

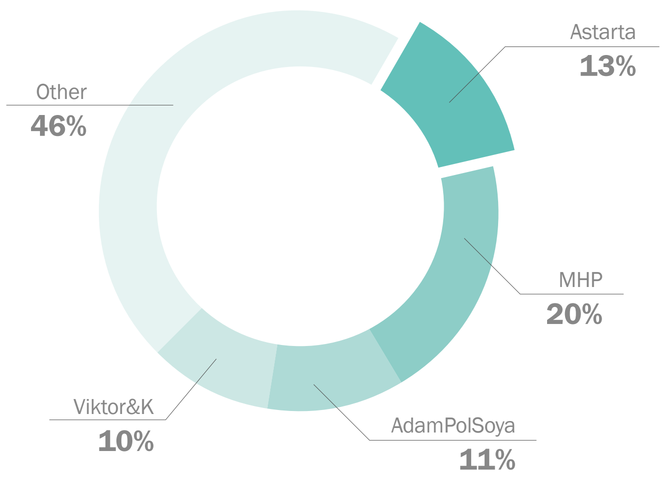
PRODUCTION

kt	2020	**2021**
Soybeans processed	208	**172**
Soybean meal	152	**128**
Soybean oil	40	**32**

SALES VOLUMES OF SOYBEAN PRODUCTS AND REALIZED PRICES

	2020 kt	2020 EUR/t	2021 kt	2021 EUR/t
Soybean meal	142	338	**123**	**462**
Soybean oil	40	651	**31**	**1 035**

UKRAINIAN SOYBEAN PROCESSORS SHARE IN DOMESTIC OUTPUT, %, 2021



Source: AgroChart, Company's data

Sales of soybean oil dropped by 24% to 31kt (40kt in 2020) on back of lower crushing volumes. This was compensated by higher average selling price of EUR1,035 (up 59% y-o-y) vs EUR651 in 2020.

Share of exports decreased to 66% of Segment revenues in 2021 from 76% in 2020. Astarta's soybean products were exported to 14 countries in 2021.

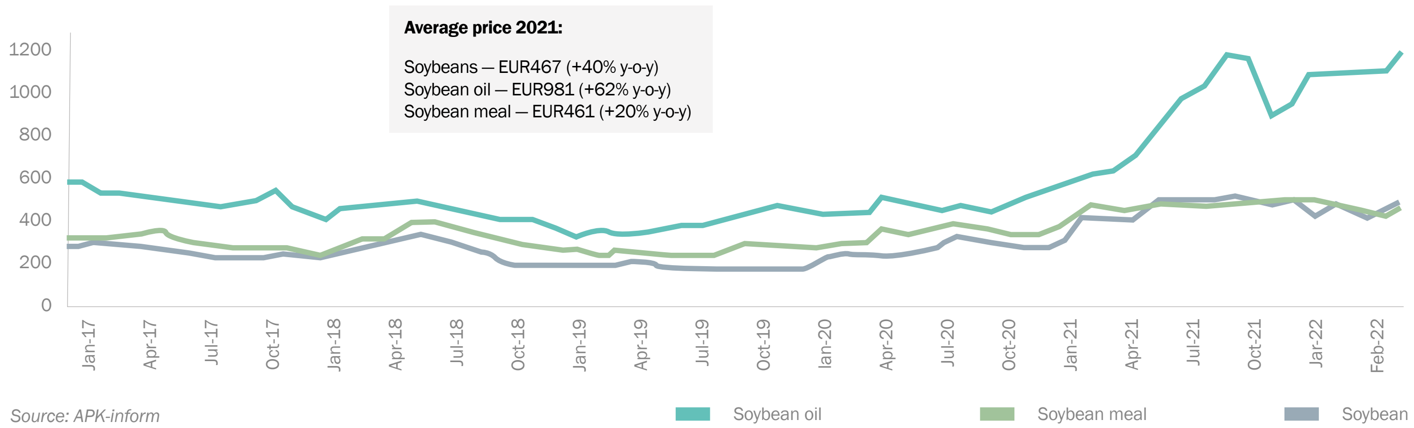
Production of soybean meal and oil by domestic crushing plants decreased by 3% y-o-y to 1.3mt. In 2021 Astarta retained the position of the second largest soybean processor with 13% of domestic output.

In 2021 the Ukrainian soybean harvest totalled 3.4mt, with the average yield 2.7t/ha, compared to 2.8mt and 2.1t/ha in 2020.

2021 was a turbulent year for the global soybean oil market due to the increasing supply volumes to biofuels production, as some major global consumers were using soybean oil as the main feedstock to produce biodiesel, therefore squeezing its availability as an edible oil.

Domestic soybean products prices are linked to an international soybean oil market as exports account for 92% of total production. In 2021 soybean oil prices soared by 62% compared to 2020 to EUR981/t, on the back of economic recovery from Covid as consumption normalized, with a temporary price reduction in July-August following the decline in biodiesel demand in USA. Domestic soybean meal priced increased by 20% y-o-y to EUR461/t The firm demand for the by-product in the main consuming countries explains price increases.

UKRAINIAN PRICES FOR SOYBEAN PRODUCTS AND SOYBEANS, EUR/t



Source: APK-inform

CATTLE FARMING

Share in consolidated revenues	Segment revenues	Domestic sales
8%	EUR38m	100%

2021 Cattle Farming segment revenues amounted to EUR38m (EUR33m in 2020), up by 16% y-o-y mainly due to the increase in average selling price of raw milk. Gross profit increased by 9% to EUR10m in 2021. EBITDA was flat at EUR9m with corresponding margin declining from 26% to 23%.

Sales volumes of milk increased 4% y-o-y to 94kt at an average selling price of EUR375/t (up 14% y-o-y). Yet inflation in raw material costs and energy offset milk price increase.

Astarta produces premium quality raw milk for industrial customers which process it into dairy products The Company operated 42 dairy farms housing over 22k cows in three regions. The herd is based on high-end Holstein and Ukrainian black-and-white dairy breed, with good physical health and high productivity.

2021 milk production was 97kt, 4% higher y-o-y. Milk output per cow averaged 22.6kg/day from 21.4kg/day in 2020 due to improvements in herd management and its health, technological enhancement in animal feed and housing conditions (e.g., upgrade of ventilation to reduce heat stress). Within the framework of in-house operational efficiency programme three projects were implemented at dairy farms leading to EUR102k savings in 2021.

2021 investments were spent on maintenance of dairy farms, increasing their capacities and furthering animal welfare.

The farm's livestock feed needs are almost entirely met in-house. Haylage and silage come from the crop growing side of Astarta's business, compound feed from the soybean processing plant, pulp and molasses - from its sugar plants. The ProFeed feeding system, introduced in 2020 and implemented at nine farms, simplifies the feeding process and allows efficient feed use.

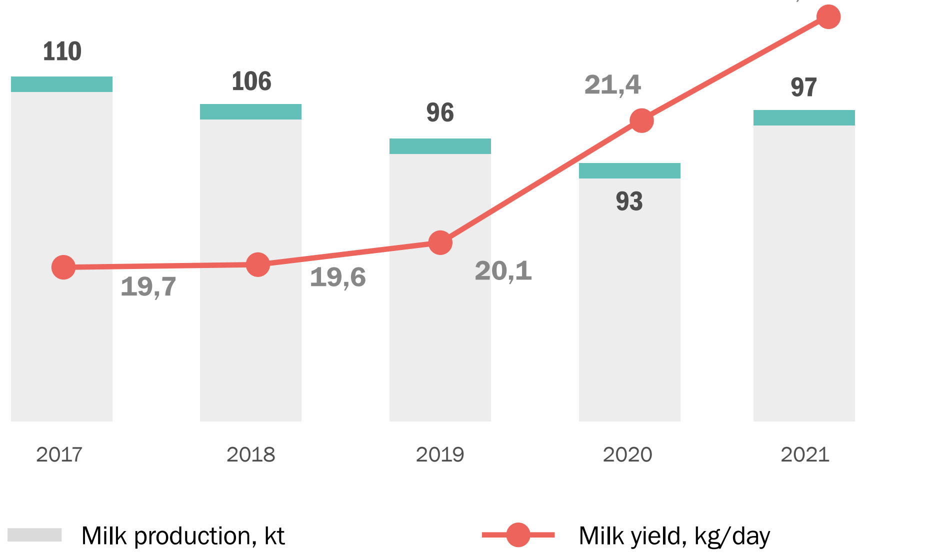
FINANCIAL RESULTS

EURk	2020	2021
Revenues	33 167	38 474
Cost of revenues	(25 015)	(26 721)
BA revaluation	1 363	(1 427)
Gross profit	**9 515**	**10 326**
Gross profit margin	29%	27%
G&A expenses	(1 575)	(1 960)
S&D expenses	(485)	(444)
Other operating income/expense	(16)	(261)
EBIT	**7 439**	**7 661**
EBITDA	**8 748**	**8 804**
EBITDA margin	26%	23%
CAPEX	(465)	(1 490)

PRODUCTION	2020	2021
Milk production, kt	93	97
Herd, k heads	22	22
Milk yield, kg/day	21.4	22.6

SALES VOLUMES OF MILK AND REALIZED PRICES	2020	2021
Milk sales, kt	90	94
Milk price, EUR/t	330	375

ASTARTA MILK PRODUCTION AND UNIT MILK YIELD



Source: Company's data

UKRAINIAN PREMIUM QUALITY MILK PRICE, EUR/t

Source: Infagro

#AstartaRecommends

Jointly with its key business partners the Company launched a promotion project "Astarta Recommends" about milk products and dairy companies in 2021.

The project aims to popularise Astarta's partners and their cooperation, describe the milk production process, explain food safety measures, compliance with animal welfare legislation and, thereby boost consumer confidence.

In 2021 the Ukrainian industrial milk production totalled 2.8mt, flat y-o-y. The ratio of industrial versus private household milk production in Ukraine was 32% and 68% correspondingly.

Domestic premium quality milk prices increased steadily and averaged EUR324/t (up 12% y-o-y). The all-time record was set in November 2021 at EUR366/t.

The Ukrainian dairy market followed the trends in the global dairy sector with price increases in bulk commodities but tight supply of feed ingredients leading to increase in feed costs in 2021.

SHAREHOLDERS AND SHARE PRICE PERFORMANCE

Astarta is a public company with shares listed on the Warsaw Stock Exchange since 2006.

As of the end of 2021, there were two major long-term shareholders: the family of Viktor Ivanchyk (the CEO), who owned 40.0% of total shares outstanding through Albacon Ventures Limited, and Fairfax Financial Holdings Ltd which owned 29.9%. The free float portion of Astarta's shares is held mainly by Polish institutional investors, EU and US investment companies.

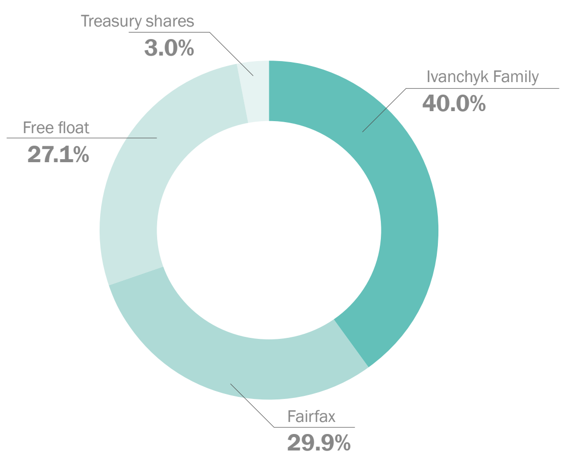
In May 2021 Astarta announced the fourth 18-month's buyback programme and repurchased 0.2% of shares. As of the end of the year the Company held 3.0% in treasury shares.

In June 2021 the Company distributed debut dividends of EUR0.5 per ordinary share, with the total amount of EUR12.5m.

Astarta's share price was strongly influenced by developments in the agricultural and sugar markets in 2021 and the Covid pandemic.

SHAREHOLDER STRUCTURE AT 31 DECEMBER, 2021

(25,000,000 shares)



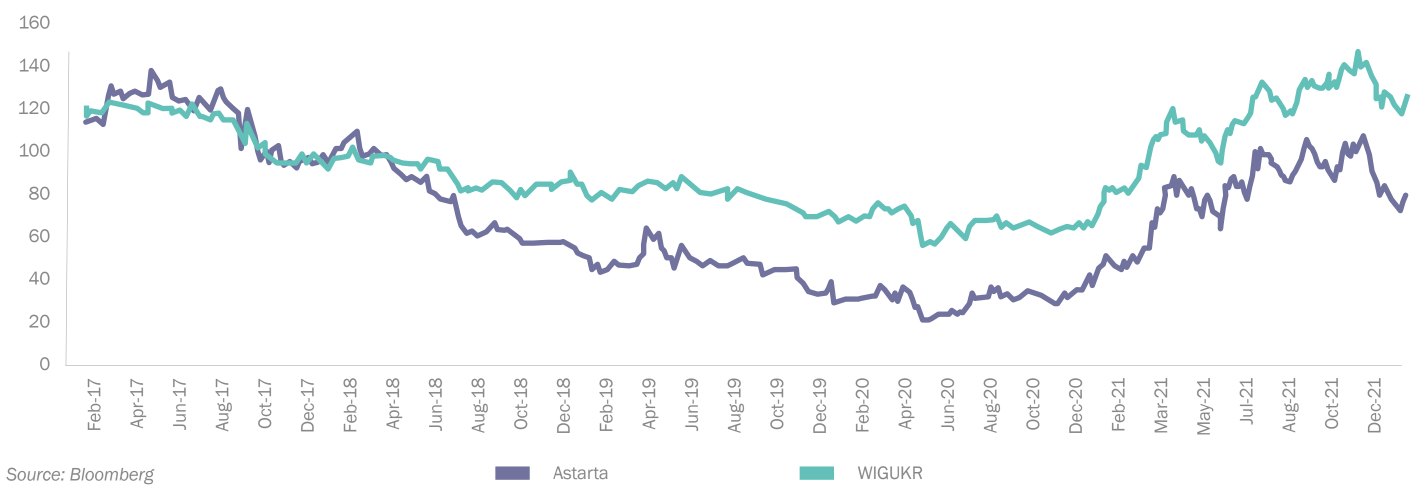
Source: Company's data

DATA/YEAR		2017	2018	2019	2020	2021
Opening price	(PLN per share)	55	52	24	16	29
Highest trading price	(PLN per share)	72	58	33	27	57
Lowest trading price	(PLN per share)	46	23	15	10	28
Closing price	(PLN per share)	51	23	16	26	42
Closing price	(EUR per share)	12	5	4	6	9
Market capitalisation as of 31 December	PLNk	1 287 250	575 000	400 000	655 000	1 060 000
Market capitalisation as of 31 December	EURk	308 626	133 721	94 025	143 121	230 963
Dividend*	EUR/share	nil	nil	nil	nil	0.5
Dividend yield	%	nil	nil	nil	nil	4.3

** Dividends were first distributed in 2021*

ASTARTA AND WIG-UKR PERFORMANCE IN 2017-2021

(factor = 100 as of 02 January 2017)



Source: Bloomberg

RISK MANAGEMENT

Astarta defines risk management as a process for risk identification, assessment, monitoring and control. The key purpose of the risk management is to find an optimal balance between the Company growth and risks that are accepted.

The Company considers governance of top business risks a high priority. It focuses on risks with a high impact on the business and/or high probability of occurrence, taking into consideration the Company's risk appetite. The risk appetite refers to the nature and extent of risks the Company is willing to incur to achieve strategic objectives. Among others, the risk appetite considers revenue growth, earnings sustainability, environmental impact, employee well-being, health and safety, and value creation for all stakeholders.

KEY COMPONENTS OF RISK MANAGEMENT PROCESS

Identification → Analysis and assessment → Control and monitoring → Communication and consultation

1. **Identification.** The Company identifies internal and external risks which have an impact or can have an impact on the business.

2. **Analysis and assessment.** The Company evaluates the nature of risks which can have considerable impact on 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 provide the participants of the risk management process with accurate and timely information about risks the Company undertakes distribution of relevant in-house 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 reliable process for 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 function. The internal audit service evaluates for the Board and Senior management the effectiveness of the first and second lines and provide an independent assessment of effectiveness of 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. The business may be affected by changes in fiscal, tax or other regulations.	• 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
REGULATORY RISKS	**Compliance risk**	Losses (financial, reputational) due to violations of laws, corporate rules, codes of conduct, etc.	• Adherence to the relevant procedures of current legislation and internal policies. Professional competence of the staff responsible for the compliance • Raising staff awareness and knowledge of relevant compliance procedures and regulations
REGULATORY RISKS	**Reputational risk**	Inappropriate actions of business partners, management or employees can harm the good name of the Company resulting in reputation impairment	• Open and proactive communication policy • Appropriate response and contingency plans • Encouraging ethical behavior of employees
REGULATORY RISKS	**Corruption risk**	The inability to manage the corruption risk may damage Company's reputation and impact financial results	• Strict adherence to the Anticorruption policy and controls • Robust internal audit to identify any discrepancies in the application of the Anticorruption policy in business processes
FINANCIAL RISKS	**Liquidity risk**	The Company's inability to meet its financial obligations in a timely manner may have a negative impact on the financial results	• Strategic and financial assessment of the Company's current performance and quick response to deviations from set targets • Prioritization of investment projects and steady pace of maintenance capex • Diversification of sources of financial resources

	RISK	IMPACT	MITIGATION
FINANCIAL RISKS	**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
FINANCIAL RISKS	**Currency risk**	High volatility of the Ukrainian hryvnia and exchange rate fluctuations may negatively 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 prices for raw materials, grains, oilseeds, sugar, milk and soybean products may affect operating results and profitability	• 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 • Energy and other resources saving
COMMERCIAL RISKS	**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
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 reduction of GHG can result in additional taxes and/or fines. Decline in demand for some products due to change in consumer preferences in favour of new climate sustainable products	• Location of business units in different climatic zones of Ukraine to ensure 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

OPERATIONAL RISKS

RISK	IMPACT	MITIGATION
Personnel risk	Lack of experienced staff can negatively impact the business	• 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
Technical/ Technological risk	Deterioration of product quality may negatively 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.
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
Assets loss risk	Loss of assets as a result of natural disasters, robbery, fraud, military actions, etc.	• Assets insurance, if commercially available • Efficient health and safety system including fire-fighting capability • Monitoring and control of employees' actions (internal security function). Video surveillance

ASSESSMENT OF RISKS ASSOCIATED WITH MILITARY INVASION OF UKRAINE

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 military invasion, its duration and short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios of further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might be from significant to severe.

Main specific risks factors include:
- Ability to negotiate with the banks and attract new credit limits (facilities) in Q3 2022, to finance operating activities of the Group. This is contingent upon uncertainty related to availability and will of the banks to provide such new financing
- Ability to obtain cash from the banks available under the already approved, unused credit facilities granted to date or expected to be obtained during the year. Because those facilities are not legally binding and depend, on the ability of banks (mainly Ukrainian banks) to provide cash
- The safety of fixed assets and inventories (the assets), and access to logistic routs is highly contingent upon the development of military activities. There is a significant uncertainty of whether the assets or routs of transportation might be damaged or available and therefore or the Group would not be able to move its assets between locations, customers and suppliers. This may result in additional costs or loss of revenues

In order to analyze the impact of these risks and support its ability to continue as a going concern, management has prepared actualized financial forecast as of the end of March 2022 which shows that the ability of Group to operate as a going concern would be dependent on the following significant assumptions:
- Banks have already approved most of the credit facilities required for the financing of Q1, Q2 and partially Q3 or the approval is in pipeline with the banks. Management would be able to draw the cash from the approved credit facilities to finance operating activities
- Management would be able to negotiate with the banks and attract additional credit facilities in Q3 2022. Historically management maintained a fruitful relation with the banks and was able to attract new financing
- When preparing the actualized financial forecast, management has made the following adjustments to the initial financial forecast, i.e.:
  - decreased sales volume due to possible complications with altering the available routes of transportation, i.e. through the western border instead of the ports of the Black Sea
  - decreased costs due to postponement of large investment projects and removing the non-essential capital expenditures.

OUTLOOK

Since Russia started the full-scale war against Ukraine all local businesses operate under conditions which make it difficult to specify development plans in detail. Currently the major task is to ensure food security for the country and concentrate on the short-term objectives of vital importance for Ukraine and its citizens. After the end of war, the business will be able to return to implementing previously developed projects considering the new post-war realities.

Among the general directions for the development of Astarta should be:

- Investments into new products and jobs such as new processing and storage capabilities.
- Focus on climate change adaptation and mitigation in agricultural activities through the use of drought resistant varieties of spring crops, applying reduced tillage to preserve moisture in the ground, tailoring density of sowing and fertiliser application to specific soil conditions irrigation and sequestration of carbon in soil.
- Benefit from decarbonisation of the industrial processes of Astarta's business via reduction of natural gas consumption at the sugar mills under the energy efficiency programme and expansion of bioenergy use.
- In partnership with EBRD and E&Y develop a comprehensive system of 'climate corporate governance' covering GHG methodology for Scope 1-3, scenario analysis for 1.5ºC-4ºC growth in global temperature, identifying physical and transitional climate risks, analysis of existing and prospective decarbonisation initiatives in crop and dairy farming, food-processing, setting short- and long-term GHG reduction targets (SBTi).

SUSTAINABILITY

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As the world's population is expected to continue its growth the global food demand will consequently put pressure on the agriculture and food systems which need to produce more food. At the same time the amount of land suitable for agriculture is expected to decline due to climate change, pollution, water scarcity, soil erosion etc. In these circumstances the agriculture sector needs to become not only more productive but also more sustainable. Agriculture has a significant potential for carbon sequestration by removing CO_2 from the atmosphere and storing it in the soil. In order to intensify this process the agriculture sector needs to switch from conventional tillage to minimal or no-till farming. There is a significant difference in carbon footprint depending on the way the farming is performed. Traditional tillage adds to the CO_2 emissions while no-till farming, planting cover crops, building up more organic matter in the soil removes CO_2 from the atmosphere. Astarta plans to adjust its farming operations to reduced tillage.

KEY DEVELOPMENTS IN 2021

Astarta acknowledges the importance of the agriculture sector in curbing the global warming which is the key driver for many changes in the climate system and pays a lot of attention to sustainable farming.

In partnership with the European Bank for Reconstruction and Development Astarta initiated development of a climate action plan aimed at identifying major climate change risks and opportunities, climate change mitigation actions, carbon reduction targets, and general improvement of its corporate governance.

In 2021 Astarta joined a regenerative agriculture project of Syngenta, LLC (Ukraine) to develop farming practices for sequestering carbon in the soil and enhance its health. The Company developed a Baseline report for 2020 and received a set of recommendations to decarbonise its field operations through reduced tillage, cover cropping, use of emission inhibitors and lower consumption of fertilisers and energy. Astarta intends to follow the recommendations and reduce its carbon footprint over several years. The reduction will be measured by the Cool Farm Tool. After independent verification the Company plans to create Voluntary Carbon Credits for sale.

Astarta was awarded for introduction of principles of circular economy by ECOtransformation-2021 - the local platform for ecological and technological solutions.

The Company's crop growing subsidiary List-Ruchki confirmed the status of an organic producer and successfully passed the certification of land and warehouses by the Organic Standard and Bio Suisse. Certification allows the Company to sell its organic products to the European Union.

SUSTAINALYTICS

In 2021 Astarta received an ESG Risk Rating score of 27.4 (vs 32.6 in 2020). As of September 2021, Astarta is ranked No 2 out of 89 companies that Sustainalytics covers in their Agriculture Subindustry globally, and 93rd out of 561 in their Food Products Industry.

For the third year in a row Astarta confirms its high ESG performance with Silver Medal from Eco Vadis platform.

In 2021 Astarta submitted debut application to CDP and was scored D.

As a big farmland operator Astarta pays special attention to the social aspect and supports development of local communities in the regions of its operations. Having participated in the XII Corporate Social Responsibility (CSR) Contest by the Centre for CSR development and EY Ukraine, Astarta was awarded for the best CSR project "My future in Agro" among 83 nominees. The project aims at promoting agricultural profession among young people.

Astarta was also among finalists for the Partnership for Sustainability Award 2021 contest and was recognised in the nomination called "Economic growth" for the "SMART impulse" project devoted to the development of local communities. In addition, Astarta was the only agricultural company to become an approved employer of the Association of Chartered Certified Accountants in Ukraine.

Astarta joined the national initiative "The Green Country" to reforest the country by planting a billion trees across Ukraine. Astarta's employees took an active part in the event and planted c. 112k trees in different regions of Ukraine.

Traditionally, Astarta is among top employers in Ukraine. The business magazine "Delo" recognised Astarta among the five best employers in the country by reputation, social responsibility, personnel development.

ENERGY

The nature of Astarta's business implies use of different energy resources like natural gas which is mainly used by the Sugar Production and Soybean Processing segments and liquid fuels mostly consumed in the Agriculture segment. Sugar production is one of the most energy intensive processes in the food industry. Astarta acknowledges that the use of energy resources is directly linked to the greenhouse gas (GHG) emissions. Thus, efficient energy management is a top priority for the Company.

Astarta aims to achieve the highest economic effect and reduce its negative impact on the environment through developing and implementing energy efficiency programmes.

In 2021 key production sites in the Sugar Productions and Soybean Processing were successfully certified according to the international standard ISO 50001 "Energy management".

In the Sugar Production which is the biggest energy consumer among its business segments Astarta continuously implements the energy and resources efficiency programme based on the Best Available Techniques. The main goal of the programme is to reduce energy resources consumption using modern equipment and practices. In 2021 natural gas consumption per tonne of sugar beet processed declined by 9% y-o-y to 21.5m3. Overall energy consumption in the Sugar Production increased by 22% to 2,655k GJ reflecting new raw cane sugar processing activities which were introduced in 2021. The share of the Sugar Production in the total energy consumption was 65%.

The Agriculture segment is the main consumer of diesel used by agricultural machinery. Astarta continuously improves energy efficiency through modernisation of field machinery with higher productivity and lower consumption of fuel. In 2021 diesel consumption per ha of farm land reduced by 2% y-o-y to 71kg/ha as machinery and vehicles running on gasoline were replace with the new ones running on diesel. Overall energy consumption in the Agriculture increased by 2% y-o-y to 1,074k GJ representing a 26% share in total energy consumption.

Energy consumption in the Soybean Processing reduced by 15% y-o-y to 232k GJ due to lower soybean processing volumes in 2021. The share of the segment in total energy consumption was 6%.

The Cattle Farming increased energy consumption by 7% y-o-y to 115k GJ due to installation of additional ventilation equipment to enhance animal welfare. The share of the segment in total energy consumption was 3%.

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

Total energy consumption from renewable energy sources grew by 11% y-o-y to 115k GJ representing 3% of the Company's total energy balance.

Considering different type of fuels used in its business segments the Company changed its approach to calculation methodology by adopting "kGJ" as a unit of equivalence to improve the comparability and accuracy of the data on energy consumption across business segments and types of energy used. An automatic data collection and translation system of energy consumption was developed and implemented in 2021. The system generates a report on specific indicators related to the amount of energy consumed in absolute and relative terms in a unified format for all business segments. The methodology for calculation is based on the Order of the State Statistics Committee of Ukraine № 374 dated 23.12.2011 "Methodological statements for the formation of the energy balance", UNSTATS and internal technical documentation.

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

TOTAL ENERGY CONSUMPTION

k GJ	2020	2021
Sugar Production	2 182	2 655
Agriculture	1 050	1 074
Soybean Processing	271	232
Cattle Farming	108	115
Bioenergy Facility	15	4
Total	3 627*	4 080

** restated*

TOTAL ENERGY CONSUMPTION PER SOURCE OF ENERGY

k GJ	2020	2021
Non-renewable sources, including	**3 524**	**3 966**
Natural gas	2 171	2 378
Liquid fuels (diesel, petrol, LPG)	842	837
Coal	347	587
Electricity purchased	164	164
Renewable sources, including	**103**	**115**
Biogas	73	17
Other (pellets and fuelwood)	31	97
Total	3 627*	4 080

** restated*

ENERGY INTENSITY PER UNIT OF PRODUCTION

k GJ	2020	2021
Energy used per tonne of sugar produced	7.22	7.19
Energy used per tonne of crop grown	0.34	0.33
Energy used per tonne of soybean processed	1.29	1.33
Energy used per tonne of milk produced	1.17	1.19

WASTE

As a big agroindustrial holding Astarta generates hazardous and non-hazardous waste in the process of its daily operating activities. To organise waste collection, temporary storage and utilization the Company implemented an internal standard on waste management based on applicable domestic legislation and international standards.

The waste generated by the Company is determined by the level of hazard: 1st, 2nd, 3rd and 4th categories in line with national requirements. The share of hazardous waste is negligible and mainly comes from fluorescent lamps, battery packs, used oils, residue from the use of pesticides etc. Before disposing of hazardous waste, it is temporary stored in special yards with marked boxes for waste sorting. To dispose the hazardous waste, Astarta cooperates with companies that are reputable and licensed by relevant authorities to handle such waste.

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. Before disposing of non-hazardous waste, it can be temporary stored at production sites while observing all appropriate precautions.

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

The key products produced in the Agricultural segment are grains and oilseeds as well as sugar beets. Grains and oilseeds are sold in bulk mainly for export and sugar beets are processed internally by the Sugar Production segment. Agricultural waste consists mainly of residue after harvesting of row crops. Those are left in the fields to preserve the quality of soil as well as used in cattle farming as a bedding material for cows. The Agricultural segment also uses pesticides in crop growing. Pesticides are supplied by third parties in specialised packaging. After the use of pesticides, the packaging is disposed through the licensed companies.

Soybean meal and oil are the key products in soybean crushing which are sold in bulk. The by-product of the crushing process is husk which is sold to third parties. Therefore, the volume of waste generated in this process is minor.

Milk is the key product produced in the Cattle Farming segment. The milk is sold in bulk without packaging. The key element of waste in the Cattle Farming is manure which is used as a fertilizer on the fields.

In 2021 the Company conducted an independent analysis of lime cake and filtration sludge for toxicological properties of hazardous components. According to the analysis, lime cake and filtration sludge were recognized as materials which can be used as a fertilizer.

In 2021 the total amount of waste, excluding by-products, generated by the Company totalled 100kt, down by 85% y-o-y due to changes in the methodology of calculation of the filtration sludge (moisture was excluded). Thus, it can't be directly compared to the previous year.

TOTAL WASTE GENERATED AND ITS BREAKDOWN BY THE METHOD OF DISPOSAL

Waste by disposal method, kt	2021
Hazard waste (1-3 hazard category) by disposal method:	
Recycle (transfer to disposal)	0.19
Total	0.19
Non-hazardous waste (4 hazard category) by disposal method:	
Reuse (by facility)	89
Recycle (transfer for disposal (4 category of hazard)	0.11
Landfills	7
Other (sale to third parties)	4
Total	100

EMISSIONS AND ACTING ON CLIMATE CHANGE

GHG AND OTHER EMISSIONS

Among emissions generated by Astarta's activities are greenhouse gas emissions such as carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), particulate matters (PM), nitrogen oxides (NO_x), sulphur dioxide (SO_x) and others.

The Company developed and implemented the environmental monitoring system to measure and assess actual and potential impact of these emissions. The system includes:

- control of air emissions from stationary and mobile sources;
- efficiency assessment of dust and gas capture;
- control of air emissions at the borders of the sanitary protection zones;
- training on operating and maintenance of dust and gas capture for relevant personnel.

In 2021 Astarta expanded disclosure on emissions by adding indirect GHG emissions from purchased electricity (Scope 2) and some other elements of indirect GHG emissions from absorption fields, atmospheric deposition of nitrogen and manure management (Scope 3).

Under Scope 1 the Company also changed its approach to calculation of emissions from energy consumption and Cattle Farming and added emissions from the use of fertilizers. Therefore, Scope 1 emissions were restated for the previous period.

Scope 1 emissions

Under an updated methodology, the Agriculture is the biggest emitter of direct GHG emissions (Scope 1) with 45% share of total. In 2021 the segment generated 160kt of CO_{2eq} (up by 1% y-o-y) with the most significant share of emissions coming from synthetic fertilizers application (58% of total) and mobile sources (33%).

Increase in sugar production led to growth of energy resources consumption in 2021. As a result, direct GHG emissions by this segment increased by 25% y-o-y to 149kt of CO_{2eq} or 33% of total direct GHG emissions.

The Scope 1 emissions in Cattle Farming comes from cows' enteric fermentation, manure management, stationary and mobile sources. In 2021 these remained flat and totaled 69kt of CO_{2eq} or 19% of total direct GHG emissions.

Direct GHG emissions from the soybean processing operations totaled 10kt of CO_{2eq}, or flat y-o-y.

In 2021 total direct GHG emissions by the Company came at 388kt of CO_{2eq}, representing an 8% y-o-y increase.

Scope 2 emissions

Scope 2 emissions are derived from consumption of purchased electricity. The Agriculture segment consumes purchased electricity mainly during the process of cleaning and drying grains and oilseeds. In 2021 the Agriculture was the biggest consumer of purchased electricity and emitter of 7kt of CO_{2eq} (down by 10% y-o-y) or 36% of total Scope 2 emissions. The Soybean Processing segment accounted for 27% of total Scope 2 emissions or 5kt of CO_{2eq} (down by 27% y-o-y) in 2021.

The Sugar Production segment uses electricity mainly during the plant maintenance period. Its share in total Scope 2 emissions is insignificant at 15% or 3kt of CO_{2eq} (down by 25% y-o-y).

Total indirect Scope 2 emissions amounted to 20kt of CO_{2eq}, down by 18% y-o-y.

Scope 3 emissions

In 2021 the Company started to quantify indirect Scope 3 emissions from absorption fields, atmospheric deposition of nitrogen and manure management. The Sugar Production segment uses absorption fields for wastewater discharge and its share in total quantified Scope 3 emissions was the biggest at 61% or 14kt of CO_{2eq} (flat y-o-y) in 2021.

In the Agriculture Scope 3 emissions mainly come from the atmospheric deposition of nitrogen after applying synthetic fertilisers and manure to soil. The share of the segment was 30% or 7kt of CO_{2eq} (down by 2% y-o-y) in 2021. The Cattle Farming Scope 3 emissions come from manure management and totaled 2kt of CO_{2eq} (flat y-o-y). The Soybean Processing Scope 3 emissions are insignificant.

SUMMARY DATA ON EMISSIONS

	2020	2021
Scope 1 CO_{2eq}, kt	**359***	**388**
by gas type		
CO_2	200	231
N2O	98	96
CH4	61	61
by segment		
Agriculture	162	160
Sugar production	119	149
Soybean processing	10	10
Cattle farming	69	69
by source		
Fuel consumption	200	231
Synthetic fertilizers application	94	92
Enteric fermentation	61	61
Manure management	2	2
Manure application to soil	2	2
Scope 2 CO_{2eq}, kt	**24**	**20**
by segment		
Agriculture	8	7
Sugar production	4	3
Soybean processing	7	5
Cattle farming	5	4
Scope 3 CO_{2eq}, kt	**23**	**23**
by segment		
Agriculture	7	7
Sugar production	14	14
Soybean processing	n/m	n/m
Cattle farming	2	2
by source		
Absorption fields	14	14
Nitrogen emissions from manure management	2	2
Nitrogen emissions from manure application to soil	2	1
Nitrogen emissions from application of synthetic fertilizers	6	6

* restated

Astarta uses the GHG Protocol to calculate GHG emissions from stationary and mobile sources. Emissions from cattle farming, manure management, application of manure and synthetic fertilizers are calculated according to the Estimating Greenhouse Gas Emissions in Agriculture by FAO. Scope 2 emissions are based on Ukrainian methodology and grid emissions factors from the Harmonized IFI Default Grid Factors 2021 v3.1 and the Harmonized IFI Default Grid Factors 2018 v2.4. The global warming potential used in the calculations is based on the IPCC's Fifth Assessment Report, 2014 (AR5). 2020 was determined as the base year.

Also, the Company submits GHG emissions from stationary sources under the national law using the local methodology "The list of emissions indicators (specific emissions) of pollutants into the atmosphere by various industries" which differs from GHG protocol.

OTHER EMISSIONS

The other significant emissions come from stationary sources such as boilers, grain dryers, limestone kilns and include particulate matters (PM), nitrogen oxides (NO_x), sulphur dioxide (SO_x) and others. To reduce negative impact the Company captures dust and gas with specialized equipment. Astarta also complies with all relevant national legislation, obtains corresponding permits and monitors emissions not to exceed set concentration limits.

Significant air emissions, t	2021
NO_x	293
SO_x	169
Volatile organic compounds and CH4	1 124
Particulate matter	227
Other significant air emissions	1 369
Total	3 182

ACTING ON CLIMATE CHANGE

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

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

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

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

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

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

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

As one of the largest agricultural producers in Ukraine, Astarta is actively studying and utilising the elements of carbon and regenerative farming across its farmlands. In 2021 Astarta further expanded the scale of precision farming aided by an in-house soil analysis laboratory. Today, the company has a unique database with a tight grid covering most of the fields under operational management. All key soil nutrients are regularly collected and monitored, and this information is used for adjusting the agronomy to the physical chemistry of the soil.

By way of example, Differentiated Sowing and S-Control Monopile techniques tailor the amount of planting material to the specific land plot and allow increasing productivity of crops while saving on seeds. At the same time, the remote monitoring of the crop growth process via AgriChain Scout (one of the key modules of AgriChain, Astarta’s proprietary IT software system) increased from ¾ of the operating land area in 2020 to 100% last year.

The increase in the average annual temperature and lower precipitation levels in Ukraine command a gradual change of crop mix towards a higher share of winter crops such as wheat and rapeseeds total acreage increase from 49kha in 2020 to 54kha in 2021, focus on drought resistant varieties of spring crops, applying reduced tillage to preserve moisture in the ground, tailoring density of sowing and fertiliser application to specific soil conditions.

Another area of expansion for Astarta under changing climate conditions is irrigation. Currently, 500ha of land operated by the Company is under irrigation, and there is potential to increase the scale several-fold in the next few years.

Agricultural science links climate risk mitigation to sequestration of carbon in soil and, at the same time, improving its health and productivity. In 2021 Astarta joined a project by Syngenta, one of the leading global providers of agricultural science and technology aimed at reduction of GHG emissions via applying the Cool Farm Tool.

The aim of the project is to identify methods to decarbonise Astarta’s primary agricultural activities such as crop growing. The pilot area covers over 30kha of farmland operations and the data was used to generate the Baseline 2020 report with the help of the Cool Farm tool. Some of the ‘carbon farming’ methods Astarta has already put into practice, and the project will allow to achieve verifiable carbon sequestration.

The key areas of focus in ‘carbon farming’ and improving soil health are soil management (reduced till or no till combined with preservation of plant residue), growing cover crops to avoid bare soil, reduced use of nitrogen fertilisers (application by injection or with nitrification inhibitors). Astarta practised reduced (minimal and subsoil) tillage at 110kha of farmland in 2021.

Decarbonisation of the industrial processes of Astarta’s business has been long established via reduction of natural gas consumption at the sugar mills under the energy efficiency programme of BAT (best available technology) and introduction of the bioenergy feed (pellets) at one of the sugar mills. In addition, Astarta is planning to ramp up biogas production at the plant which converts sugar beet pulp into gas to replace half of annual natural gas needs of the sugar mill and the soybean crusher in Globyno.

In 2021 Astarta also joined a global community of 13,000 largest companies reporting under the carbon disclosure project (CDP) about its activities aimed at climate change adaptation and mitigation.

At the beginning of 2022 Astarta entered into a tri-party agreement with the EBRD and E&Y to develop a comprehensive system of ‘climate corporate governance’ covering GHG methodology for Scope 1-3, scenario analysis for 1.5ºC-4ºC growth in global temperature, identifying physical and transitional climate risks, analysis of existing and prospective decarbonisation initiatives in crop and dairy farming, food-processing, setting short- and long-term GHG reduction targets (SBTi). The project aims to develop a detailed roadmap to allow Astarta adapt its business segments to climate change while mitigating own impact on the environment.

WATER WITHDRAWAL AND DISCHARGE

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

Astarta’s business operations are in the central and western regions with higher levels of precipitation and availability of water resources. Yet, 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. All water intake points are equipped with water meters.

From 2021 Astarta calculates water withdrawal and discharge in the Agriculture and Cattle Farming segments separately. In the Agriculture segment water is mainly used in irrigation and application of plant protection products, and general household needs. Total water withdrawal by the Agriculture segment was 1,052 megalitres in 2001.

The discharged water is mainly wastewater collected in special reservoirs for further discharging and treatment by specialist organisations. Total water discharge by the Agriculture segment was 2 megalitres.

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

In 2021 water withdrawal by the Sugar Production segment increased by 55% y-o-y to 2,120 megalitres due to raw cane sugar processing, while water discharge was 1,970 megalitres (up by 57% y-o-y).

The Soybean Processing segment withdraws relatively small amount of water. In 2021 the soybean processing operations withdrew 128 megalitres (down by 16 % y-o-y).

Like sugar operations wastewater is discharged to the absorption fields. In 2021 wastewater discharged by the segment was 46 megalitres (down by 11 % y-o-y).

Cattle Farming operations withdraw water mainly for watering the animals and washing milking equipment. In 2021 water withdrawal by the segment was 652 megalitres while water discharge totalled 521 megalitres.

To control the quality of discharged wastewater Astarta performs a specialized analysis on a quarterly and annually basis.

Water withdrawal

ML		All areas	Areas with water stress*
Water withdrawal by source	Surface water	2 704	706
	Groundwater	1 230	257
	Third-party water	28	11
Total water withdrawal	Surface water (total) + groundwater (total) + third-party water (total)	3 962	974

Water discharge

ML		All areas	Areas with water stress*
Water discharge by destination	Surface water**	237	237
	Absorption fields	1 972	558
	Third-party water	549	151
Total water discharge	Surface water + absorption fields + third-party water (total)	2 758	947
Water discharge by freshwater and other water	Freshwater	-	-
	Other water	2 758	947

Water consumption

ML		All areas
Water consumption	Total water consumption	1 204

Facilities in areas with water stress*

ML		Zhdanivsky sugar plant	Narkevytsky sugar plant	Viytovetsky grain silo	Khmilnytsky grain silo	Krasylivsky grain silo
Water withdrawal	Surface water	360	343	-	-	-
	Ground water	3	0.6	0.7	1.2	0.9
	Third-party	-	11	-	-	-
Water consumption		3	12	1	1	1

** Water stress areas are defined according to Water Risk Atlas*
*** Second category water*

ANIMAL WELFARE

Astarta is committed to the humane treatment of animals and prioritizes improvement in animal health and welfare. The Company's livestock management team continuously seeks feedback from experts on animal health and welfare to align to science-based practices. Advice from specialist business partners is available for each employee to enhance their knowledge and improve professional skills. Online training for farm staff is provided in veterinary care and treatment, feeding, calf care, planning and accounting in animal husbandry, etc.

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

The welfare standards are raised for their animal comfort. In 2021 specific improvements included: reconstruction of two cowsheds for 400 heads and construction of cubicle housing for 400 calvers, heifers and calves, overhaul of summer cowsheds with milking stalls, 800 stalls equipped with special comfortable bedding, four farms equipped with modern ventilation systems, construction of fodder storage facilities and new hay and forage harvesting equipment.

The Company's automated ProFeed animal feeding system became operational at nine farms out of 42. Astarta continuously adjusts its feed safety system via systematic analysis of in-house and purchased ingredients. All feed components are tested for quality and safety before use.

Further operational improvements concern implementation of HACCP (Hazard Analysis and Critical Control Points) activities plan at all dairy farms. Within the framework of in-house operational efficiency programme 83 ideas in livestock breeding were generated and three projects were implemented on their basis in 2021 resulting in EUR102k savings. The Company's livestock managers seek practices that enhance animal well-being and productivity, especially those that reduce stress and increase yields. Special cattle exercises were piloted at one of Astarta's dairy farms.

Improvements of animal welfare are also promoted by developing standardized procedures, instructions and checklists for precise and coordinated actions for livestock care personnel. These include HACCP and animal welfare information posters at all dairy farms, description and visualization of milking technology and instructions for selecting heifers.

One of Astarta's dairy farms participated in a pilot digitization project on implementation of the Raw Milk Control Programme based on the specialist Milk Module software. The programme's objective is to increase value added in domestic trade from the dairy sector for the common goal of sustainable growth in Ukraine. The project is realized by the State Food and Consumer Service within the framework of the Quality FOOD Trade Programme, funded by the Swiss State Secretariat for Economic Affairs (SECO), under the leadership of the Research Institute of Organic Agriculture (FiBL) in Switzerland together with SAFOSO, a Swiss consultancy advocating safe food from healthy animals.

The Company's recently renewed whistleblower policy allows its employees to report any suspected incidents of abuse, neglect or improper animal handling practices.

The main risk facing the Company on the animal welfare front is climate change, affecting feed quality and animal health in summer season. To minimize it livestock managers constantly review feed diets and seek suitable alternatives and ventilation systems are installed to prevent heat stress. The risk of rising feed prices dictates constant revision of procurement of ingredients. Since the developments in the field of animal health and welfare are constantly evolving, new approaches and practices will be considered in the years to come.

LAND USE AND BIODIVERSITY

Biodiversity is the variety of life on earth such as animals, plants, fungi as well as microorganisms. Due to increasing pressure from human activities through consuming resources in the amounts never seen before the world faces the risks of losing the biodiversity which is a base for a balanced nature ecosystem. Continuous intensification of land-use in agriculture to meet the demand for food from the growing population caused significant reduction in biodiversity. According to WWF three-quarters of the land-based environment have been significantly altered, more than a third of the world's land surface is devoted to crop or livestock production. Thus, the protection and conservation of biological diversity, the maintenance of ecosystem and the balanced management of living natural and land resources are fundamental to sustainable development.

Ukraine has a significant biodiversity potential. According to national experts Ukraine is home to more than 70k animals and plants species which represents 35% of the estimated European biodiversity. Given the size of its farmland bank and agricultural crops' business Astarta pays special attention to sustainable land use and protection of biodiversity across its geography of operations.

Management approach to land use and biodiversity is based on the corresponding policies and standards developed according to national and international requirements and voluntary initiatives such as the concept of the national programme for biodiversity conservation, the IFC and EBRD standards, the Convention on Biological Diversity, the Ramsar Convention etc.

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.

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

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

One of the key elements of preserving the biodiversity and land resources in farming operations is the reduced or no-till approach as the depth of tillage is linked to the soil degradation and change in biodiversity. Such regenerative farming practices contribute to the protection and restoration of biodiversity as it assumes minimal mechanical treatment of the soil. In 2021 the Company performed minimal and subsoil tillage on almost 110kha.

Another important element of regenerative farming is use of cover crops and reduction in use of nitrogen fertilizers by applying nitrification inhibitors. These protects soil from erosion, therefore improving its health. In 2021 Astarta used cover crops and nitrification inhibitors on the area of 0.5kha.

Astarta continuously invests in upgrading of its agricultural machinery fleet. To this end, in 2019 Astarta announced a five-year programme of renewal of agricultural machinery. Use of modern equipment results in lower impact on soil during the farming operations through more precise operations and inputs application and reduction in energy use.

Astarta actively uses digital solutions for land management such as proprietary IT software called AgriChain developed by its in-house agritech subsidiary. In 2021 the AgriChain Land module was updated with additional elements such as those allowing to monitor and control location of land plots operated by the Company in relation to the nature reserve areas. Astarta can make a fast verification whether a land plot which is considered for potential lease belongs to such areas.

There are also other elements of digitalisation and precision farming operations such as Differentiated Sowing and S-Control Monopile techniques which allow to reduce seeds application and improve productivity while mitigating negative impact on soil.

In the context of supply chain management when purchasing raw materials and products from suppliers, Astarta considers their location and checks whether there is a significant risk the habitat of species. If such risk is identified the Company does not enter into contractual relationships with such suppliers.

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

According to the biodiversity risk assessment results, there are no high-level risks for biodiversity from activities in the regions of Astarta's presence.

HUMAN CAPITAL

Astarta believes that people are the most vulnerable and valuable capital of the company. The Company use a partnership approach in relation to its employees and aims at creating favourable climate, so that everyone can fully discover and realise their potential, including development of leadership skills.

Such partnership approach positioned Astarta among the best employers in Ukraine, which is by various ratings:

- for the second year in a row business magazine "Delo" recognised Astarta among the five best employers in Ukraine and gave the "Best Employer Brand" award on the basis of excellent reputation, social responsibility, personnel development;
- business magazine "Focus" rated Astarta among the best three employers in the Agrosector category;
- Astarta was also awarded a status of an ACCA (the "Association of Chartered Certified Accountants") Approved Employer becoming the only Ukrainian agricultural company which obtained such status.

Astarta's top priority is the health and safety of its employees and their families during COVID-19 pandemic development. In 2021 management kept daily health records of employees and their families, supported during illness and rehabilitation, provided vitamins paid by the Company. Astarta also continued to support hospitals in the regions of its presence by providing the required supplies and organising training for medical staff.

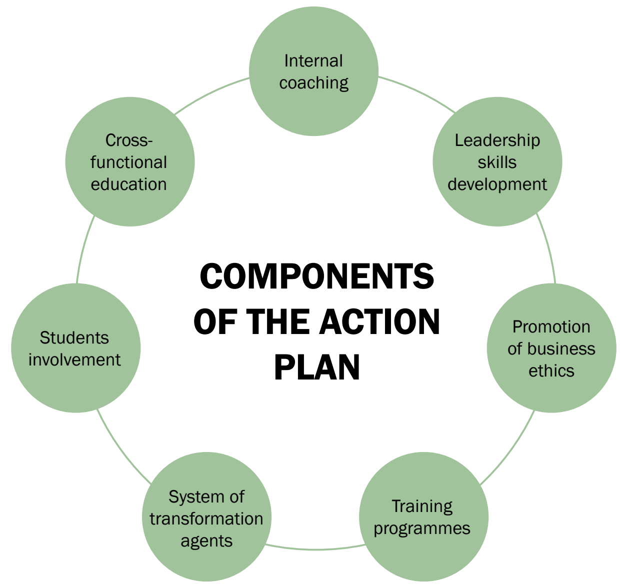
To support the mental health of its employees during the pandemic, Astarta launched the programme called "Well-being: improving health at the workplace" run by a qualified expert and supported by online consultations.

The Company also secured an access to distance learning and supported professional development of its employees in the pandemic conditions.

To further support the team spirit, Astarta has increased the number of channels for internal communication and activities for cross-functional co-operation to prevent psychological burnout and increase efficiency of information exchange within the Company.

ASTARTA'S ACTION PLAN

Astarta developed a dedicated human capital action plan to support development and meet its strategic business goals. The action plan covers 2022-2024 and considers recent changes in the country, key trends in the Ukrainian employment market and key HR risks.



EMPLOYEES ENGAGEMENT

Astarta's relations with its employees are guided by corresponding legislation and internal policies such as the Human Rights Policy, the Social Policy and the Remuneration Policy which envisage creating conditions, opportunities and incentives to stimulate engagement of employees.

The Company implemented the following internal projects to promote employees' engagement:

1. **The Operational Improvement System of Astarta (OISA).** This is a management system designed for creation of perfect business processes and the involvement of each employee in the process of continuous improvement.

   Since its launch the economic benefits have totalled UAH28m. Almost 900 employees participated in the programme, i.e. nearly 14% of the total headcount. On average UAH32k of economic benefit was achieved per participant of the OISA. Over two years more than 2,100 ideas were submitted in all segments of the Company's business and 31 operational improvement projects had been implemented. Fourteen "kaizen projects" are currently in the process of realisation. The Company paid UAH2.5m in bonuses to the authors of ideas and the implementation teams.

2. **Staff reserve.** The project aims to identify talented employees with potential leadership skills. Having selected such employees, the Company conducts special training to create a talent pool for potential senior positions.

3. **Think Tank.** The project's goal is to collect ideas on efficiency improvements from the Company's employees. This allows to identify creative and motivated individuals who are ready to take leadership role in transformation processes within the business and, at the same time, stimulate engagement of other employees.

4. **School of Internal Experts.** The key purpose of the project is to share knowledge and successful experience within the Company by providing opportunities for self-realisation of employees.

As a big agroindustrial holding Astarta seeks ways to increase the popularity of the agriculture as an industry for building a career for young people. With this purpose Astarta launched an educational career guidance project "My Future in Agro" in different regions of Ukraine.

EMPLOYMENT

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

As of the end of 2021 the total number of employees was 4,820. A 4% decline is explained by the higher labour productivity in the agricultural segment, the share of which came down from 50% to 46% of the total. The breakdown of employees by gender, age, professional level, and type remained stable.

Number of employees as of YE	2019	2020	2021
Age	5 470	5 027	4 820
up to 30 y.o.	824	710	618
	15%	14%	13%
30-50 y.o.	3 025	2 760	2 696
	55%	55%	56%
over 50 y.o	1 621	1 557	1 506
	30%	31%	31%
Gender	5 470	5 027	4 820
male	3 458	3 211	3 077
	63%	64%	64%
female	2 012	1 816	1 743
	37%	36%	36%
Level	5 470	5 027	4 820
managers	790	667	641
	14%	13%	13%
specialists	1 285	1 248	1 272
	24%	25%	26%
workers	3 236	2 967	2 769
	59%	59%	58%
other employees	159	145	138
	3%	3%	3%
Segment	5 470	5 027	4 820
agriculture	2 524	2 515	2 214
	46%	50%	46%
sugar production	1 073	711	729
	20%	14%	15%
soybean processing	204	202	195
	4%	4%	4%
cattle farming	1 246	1 177	1 191
	23%	24%	25%
other	423	422	491
	7%	8%	10%
Type	5 470	5 027	4 820
permanent	4 566	4 250	4 046
	83%	85%	84%
seasonal	904	777	774
	17%	15%	16%

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

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

BENEFITS PROVIDED TO EMPLOYEES

To create comfortable working conditions and stimuluses, the Company provides the following benefits for the employees:

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

PARENTAL LEAVE

Astarta respects the right of the employees to parental leave which is secured in corresponding legislation and internal policies of the Company. In 2021 196 employees were entitled to parental leave. 165 employees exercised their right of parental leave, 163 of which were female. 53 employees (all female) discontinued parental leave, of which 17 returned to work (all female). Return to-work and retention ratios were 32% and 89% correspondingly.

Number of employees

	2020	2021
Right to parental leave	202	196
Female	200	194
Male	2	2
Exercised the right to parental leave, incl.	202	165
Female	199	163
Male	3	2
Discontinued parental leave, incl.	59	53
Female	58	53
Male	1	-
Returned to work	18	17
Female	17	17
Male	1	-
Still employed 12 months after return to work	n/a	16
Female	n/a	15
Male	n/a	1
Return to work rate, %	0	0
Female	29%	32%
Male	2%	-
Retention rate, %	n/a	89%
Female	n/a	88%
Male	n/a	100%

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

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

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

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

OCCUPATIONAL HEALTH AND SAFETY

Astarta's occupational and health safety system is based on the Integrated Corporate Management system and a risk-oriented approach according to requirements of national legislation and international standards such as the Ukrainian Law on Labour Safety and the ISO 45001 standard. Key production managers and specialists are engaged into the system improvement through the assessment of the system meeting current legal requirements. The system covers all production-related employees as well as contractors.

Identification of risks related to occupational safety and health, and road safety is based on the internal Standard called "Risk Identification and Assessment". The identification of relevant risks is performed through an analysis of the technological processes, parameters and technical characteristics of the equipment (substances) used, inspection at all stages of the production processes for deviations from set parameters and the analysis of the impact of these deviations on the reliability of the technological processes.

Accidents are entered into the internal monitoring system to be investigated according to the internal Standard called "Incidents" and to prevent personnel injury and fatalities in the future. Responsible employees distribute information indicating the reasons for incidents and actions taken. All measures in relation to avoidance of incidence are also discussed by management of the Company monthly. The internal procedures on occupational health and safety are revised annually for improvement.

Astarta constantly conducts training and knowledge testing on health and safety issues under the internal Standard "Education and Expertise". In 2021 2,610 employees (one employee can participate in several trainings) took part in the training on health and safety including following key topics: fire safety, electrical safety, road traffic safety, hazardous chemicals, incidents investigation, high risk works.

The Company makes every effort to prevent occupational health and safety risks arising from technological processes through:

- taking preventive and safety actions including replacement or elimination of hazardous conditions or substances;
- provision of the necessary equipment and equipment to minimise risk;
- professional training for employees and implementation of appropriate incentives to adhere procedure on labour protection and safe use of equipment;
- dissemination of information on incidents;
- measures to prevent specific emergencies and training on actions in case of such emergencies.

There is health and safety induction conducted for visitors including contractors and employees before starting the work or visiting the facilities.

In 2021 Astarta initiated an ideas contest on health and safety issues. The contest generated 104 ideas for improving health and safety in the technological processes. 18 ideas were recognized as the best ones with a corresponding reward to its authors.

There are small medical surgeries at some production facilities where employees can get first medical aid and some basic health care procedures. In response to COVID-19 Astarta provided cleaning and sanitizing means for use by its employees. The Company also conducts intensive communication and education to promote disease prevention among employees.

All Astarta's key production assets such as sugar plants, soybean crusher and grain silos have been certified under ISO 45001 – the Occupational health and safety management systems.

Work-related injuries data

	2019	2020	2021
Fatal Injury Frequency Rate (FIFR)	0.1	0.1	-
Lost Time Injury Frequency Rate (LTIFR)	0.4	0.2	0.5
Lost Day Rate (LDR)	55.3	6.0	18.3

TRAINING

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

Each employee has a right to improve professional skills via training and can make a corresponding application through defined internal procedures.

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

- Long-term training is provided on the basis of higher education institutions to obtain tertiary qualification or in lyceums to master a new trade;
- Short-term training is targeted at an in-depth study of a particular area of activity, including modernization, reorientation or restructuring of business units, significant changes in the regulatory framework governing its activities, training on best available technologies;
- Internal training is conducted by in-house personnel;
- External training is conducted by third-party service providers.

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

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

Astarta focuses on the professional development of its employees and implements various projects that help to reveal and realize their potential. To this end, the Company implemented the following programmes:

- Mentoring targeted at building an effective team;
- School of Internal Experts to share knowledge and successful experience within the Company by providing opportunities for self-realisation of employees;
- Astarta Managers' Development programme to develop professional skills of the key managers.

In 2021, annual weighted average number of training hours per employee in 2021 was 11 hours, including:

By level:

- managers – 9 hours;
- specialists – 11 hours;
- workers – 11 hours.

By gender:

- male - 10 hours;
- female – 12 hours.

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

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

Total spending on training was EUR0.2m in 2021 vs EUR0.1m in 2020.

PERSONNEL ASSESSMENT

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

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

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

The process of assessment consists of four stages:

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

The results of the assessment are translated into an annual bonus based on the annual KPIs performance. Annual bonuses as well as other financial incentives are set by the Remuneration Committee.

In 2021 767 employees or 12% of the annual average number of employees passed an annual assessment including:

By level:

- managers – 142 employees or 27% of the average number of managers;
- specialists – 369 employees or 34% of the average number of specialists;
- workers – 256 employees or 6% of the average of workers.

By gender:

- male - 598 employees or 14% of the total number of male employees;
- female – 169 employees or 8% of the total number of female employees.

DIVERSITY AND EQUAL OPPORTUNITIES

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

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

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

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

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

BREAKDOWN OF EMPLOYEES BY DIVERSITY CATEGORIES:

By gender:

- male - 64%;
- female – 36%.

By age:

- up to 30 y.o. – 13%;
- 30-50 y.o. – 56%;
- over 50 y.o. – 31%.

Ratio of basic salary and remuneration of women to men

	2019	2020	2021
Total, including:	90%	97%	97%
managers	67%	69%	75%
specialists	106%	109%	98%
workers	85%	93%	91%
other employees	79%	76%	82%

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

- during non-working hours to provide employees space for holding of general meetings (conferences) of employees including necessary equipment, communications, heating, lighting, cleaning, transport, security;
- providing an opportunity to visit and inspect workplaces for the trade union committee;
- provide to the trade union committee an opportunity to access relevant documentation, information and explanations concerning the conditions and remuneration, the implementation of collective agreements, compliance with labour legislation and socio-economic rights of workers;
- provide an opportunity to directly address the employer and officials of the Company on the issues that are the subject of the collective agreement;
- provide an opportunity to inspect the social infrastructure facilities owned by the Company;
- provide the opportunity to publish information by employees in agreed upon places;
- transfer 0.3 percent of the payroll to the fund of the primary trade union organisation to promote cultural and health-related activities;
- abstain from actions that can interfere with work of the primary trade union organisation.

In 2021 there were no disputes between the Company and the trade unions.

As of the end of 2021 99% of Astarta's employees were part of the collective agreement.

HUMAN RIGHTS

Astarta is guided by an internal Human Rights Policy based on best international practices defined in the Global Declaration of Human Rights and UN Global Compact. The policy is available and promoted at all production facilities of the Company via information boards and HR departments. In 2021 the Human Rights Policy was updated. The Code of Corporate Ethics also defines the basic principles of the Company's culture: openness, tolerance, respect.

In 2021 64 employees completed a dedicated training programme on protection of human rights and prevention of discrimination. Educational resources on the topic were also distributed through the corporate knowledge base, including recommendations on preventing and counteraction of discrimination, links to video courses and training materials were published at the corporate resources. The training also addressed issues of gender equality, ethics, prevention of harassment and abuse. Testing was conducted at the end of training.

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

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

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

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

Astarta performs a regular internal audit to verify compliance with the Human Rights Policy. All of the Companies subsidiaries are covered by the audits. The internal audit confirmed that there were no violations of human rights at the Company's business units in 2021.

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

CERTIFICATION AND SUSTAINABLE PRODUCTS AND SERVICES

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

In 2001 the Company's crop growing subsidiary List-Ruchki confirmed the status of an organic producer and successfully passed the certification of land and warehouses by the Organic Standard and Bio Suisse. Certification allows the Company to sell its organic products to the European Union.

In the reporting period Astarta allocated 1.8kha for organic farming and produced more than 4kt of organic wheat, corn, soybeans and other crops.

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

Carbon farming was one of the key sustainability topics analysed by the Company in 2021. Astarta joined a regenerative agriculture project of Syngenta, LLC (Ukraine) to develop farming practices for sequestering carbon in the soil and enhance its health. The Company developed a Baseline report for 2020 and received a set of recommendations to decarbonise its field operations through reduced tillage, cover cropping, use of emission inhibitors and lower consumption of fertilisers and energy.

Astarta intends to follow the recommendations and reduce its carbon footprint over several years. The reduction will be measured by the Cool Farm Tool. After independent verification the Company plans to create Voluntary Carbon Credits for sale.

Some of the elements of carbon farming had already been used by the Company in crops production, for example subsoil and minimal tillage. In 2021 the Company performed minimal tillage and subsoil tillage on almost 110kha and expects to increase such practices to 145kt in 2022.

Another important element of regenerative farming is use of cover crops and reduction in use of nitrogen fertilizers by applying nitrification inhibitors. In 2021 Astarta used cover crops and nitrification inhibitors on the area of 0.5kha and expects to increase it to 5.5kha in 2022.

In 2021 Astarta launched a pilot production of inverted sugar syrup. Since the inverted syrup's digestibility is similar to honey it can be fed to bees in spring and autumn to increase their productivity. In 2021 Astarta sold pilot 35t of inverted syrup to local beekeepers and honey producers.

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

One of the key sustainability elements of the Company's business is the quality of its products. Astarta developed a strong system of health and safety measures while producing high-quality products that correspond to international standards.

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

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

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

In 2021 there were no cases of non-compliance with regulations on health and safety of products identified.

COMPLETED AUDITS

Facility	ISO 9001	FSSC 22000	ISO 14001	ISO 45001	ISO 50001	ISO 22000 GMP+B2	ISSC+	Organic standard
Narkevytsky sugar plant					—		—	—
Zhdanivsky sugar plant					—	—		—
Yareskivsky sugar plant								—
Globynsky sugar plant						—	—	—
Novoorzhytsky sugar plant						—	—	—
Globynsky processing plant						GMP+B2	—	—
Viytovetsky grain silo					—	—	—	—
Khmilnytsky grain silo					—	—	—	—
Krasylivsky grain silo					—	—	—	—
Lutovynisky grain silo					—	—	—	—
Semenivsky grain silo					—	—	—	—
Skorokhodivsky grain silo					—	—	—	—
Yareskivsky grain silo					—	—	—	—
Agriculture firm named after Dovzhenka	—	—	—	—	—	—		—
LLC “Khmilnitsky”	—	—	—	—	—	—		—
LLC “Lysk-Ruchky”	—	—	—	—	—	—	—	

LOCAL COMMUNITIES

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

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

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

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

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

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

Key development programmes

MY FUTURE IN AGRO

Astarta started the programme in 2018 to introduce students to modern agriculture and related professions. Currently 25 schools from different Ukrainian regions take part in the programme.

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

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

Key results of the programme:

- 800 children completed training;
- 35 children took part in a scientific contest;
- 32 projects were created.

SMART-IMPULSE FOR THE COMMUNITY.

The programme was fostered in partnership with the Embassy of Switzerland and consulting firm Deloitte in Ukraine. The authorities of the Volochysk Community began transformation of their community in close cooperation with experts in the field of self-governance, economic analysis and sustainable development.

Key results of the programme:

- A comprehensive community diagnostic was conducted, 40 recommendations were prepared and 11 were implemented;
- To identify priorities for the community development a hackathon was organized involving local population;
- Several business projects were implemented.

UPRISE!

“Uprise!” programme stated in 2018 and is aimed at encouraging rural youth to engage in life of their communities using leadership skills, project thinking and experience of undertaking personal projects. The programme is a result of joint efforts by Astarta, charity “Trust in Yourself” and the Ukrainian Academy of Leadership (the UAL).

Key results of the programme:

- 688 children completed training on leadership and project management;
- 160 projects aimed at development of communities were created;
- 53 ideas implemented.

IT EDUCATION

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

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

Key results of the programme

- 1,040 children completed training in SCRATCH and ROBOTOTECH;
- 673 adults completed training on basic IT skills;
- 400 children took part in IT contests;
- 55 IT projects were created.

DREAMACTIONS 4.0

The programme was implemented by educational platform CANactions School and regional fund Western NIS Enterprise Fund in partnership with Astarta. The programme is designed to support development and transformation of local communities through providing microgrants and popularisation of international practices in the sphere of city planning around Ukraine.

Local communities create and register projects to improve city-planning across the country. Under the programme eight projects were chosen for implementation. Among the chosen were three projects from the local communities in regions of Astarta’s activities.

WINGS

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

Astarta supported 18 business start-ups from different communities. The estimated number of women who took part in the project – 3,000.

DUAL EDUCATION

In 2020 Astarta in partnership with the EBRD, EY and Kharkiv National Agrarian University started a partnership programme to support young specialists in receiving higher education with particular attention to practical experience. The theoretical part is provided by the University and the practical part is realised at Astarta's production sites.

In 2021 there were nine students on internship working along experienced agronomists. Five students were hired by the Company.

EFFECTIVE COMMUNITY

The programme was initiated by the Kyiv School of Public Administration and supported by Astarta. Its goal is to support economic development of local communities. 25 participants, mainly heads and deputy heads of local communities, completed training.

THE SCHOOL OF CAREER ADVISER

The School of Career Adviser is an official programme for professional development by the Institute of Modernisation of Education Content of the Ministry of Education of Ukraine. The programme involves school students and their parents, teachers, school psychologists, as well as all those who want to study the basics of career advising.

MANAGING COVID-19 RELATED RISKS

In 2021 the world kept fighting against COVID-19 armed with vaccine which significantly smoothed negative impact and saved huge number of lives and helped counties worldwide to return to normal. Due to vaccination Ukraine was also able to soften the strictness of lockdowns allowing businesses to operate in the environment closer to normal while keeping minimum required preventive measures in place.

Astarta's operations had not been materially affected by the COVID-19 pandemic due to the outdoor nature of its agricultural operations. The Company also took a proactive stance by promoting vaccination along with other measures aimed at securing employees' safety in line with the guidelines issued by the Government of Ukraine.

In 2021 Astarta organised vaccination for its employees at business premises and in local medical institutions. By the end of the year 62% of the employees in the Head Office and 51% of the employees in the regions were vaccinated.

At the same time Astarta kept safety measures in place for continuity of business operations.

(1) Personnel

- Communication and education campaign on COVID-19 related risks.
- Mandating working from home for office-based employees.
- Promotion of personal hygiene and distribution of cleaning and sanitising means for use by employees.
- Daily health records of employees and their families.
- Support during illness and rehabilitation and supply of vitamins.
- Psychological support for employees to reduce negative impact of self-isolation.
- Access to distance learning to support professional development in the pandemic conditions.

(2) Operations

- The Company continued to replace field equipment with machinery which allows for significant savings on human resources and maintenance at agricultural operations.
- Digitalisation of the farming operations providing for better accuracy and timeliness of the information.

(3) Finances

- The Company kept close contact with its lending banks, with majority of them having financed its business for many years.
- Investments were limited to maintenance capex only.
- In 2021 Astarta continued to support hospitals in the regions of presence by providing the required materials and organised training for medical staff.

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 corporate values of the Company are presented on the Company's website and in the Code of Conduct, which sets out and systematizes the rules and principles of conduct that all employees of the Company must adhere to. Among them are as follows: impeccable business reputation, social responsibility, respect for partners, 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 behavior. Management is open to ideas from the employees and takes them on board on regular basis. Any documents relating Company's values are usually reviewed and approved by the Compliance Committee.

BELOW ARE THE WAYS HOW VALUES ARE INCORPORATED IN THE COMPANY

Impeccable business reputation

Each team member solves any task on a daily basis and takes care of maintaining and ensuring an impeccable business reputation of the Company. The Company precludes any possible violations of the law by its team members and partners, defends the principles of justice and honesty.

Social responsibility

The Company takes responsibility for the quality and procedures of product creation by all its affiliate enterprises towards the consumers, employees and partners. The Company takes an active social position, which consists in harmonious coexistence, interaction and ongoing dialogue with society, participation in addressing acute social issues. By setting a goal for social responsibility the Company promotes sustainable development, including the health and well-being of society, and considers the expectations of parties concerned. The social responsibility value is integrated into the activities of all structural subdivisions of the Company.

Respect for partners

When building cooperation with partners, the Company takes into account not only its own interests, but also the interests of the 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 the loyalty and trust of the partners by doing business only by fair means and in accordance with the standards of business integrity.

Quality of goods and services

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

Conscientious performance of official duties

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

Respect for colleagues and management team of the Company

The Company promotes a 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 to achieve a common excellent result.

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

The Company systematically monitors the effectiveness of the Code of Conduct.

ANTI-CORRUPTION

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

Astarta is committed to conduct all activities with integrity and keeps zero tolerance towards breach of anti-bribery and anti-corruption (ABC) Procedures. The Procedures are applicable to all employees, regardless their position and obligations. All employees are obliged to understand and follow the above Procedures in order to struggle against the corruption and bribery.

The basic internal regulations containing anti-corruption procedures are as follows:

- Security Policy adopted in 2018. The Policy specifies a common vision and approach to security, anti-corruption, fraud, abuse and other violations based on principles of complexity, timeliness, continuity.
- ABC Procedures adopted in 2020 that define goals, tasks, principles, and directions of the Company's anti-corruption activities.

The ABC Procedures are integrated and comprehensive and are applied at all activity levels and structural units of the Company.

As a preventive and precautionary measure of the Company's management and security department informational and explanatory work regarding the relevant anti-corruption provisions is performed within the Company. Any person may report of any known or suspected violation either personally to authorised employee, or unanimously through the Whistleblowing line.

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

Astarta effectively prevents the conflicts of interest among employees and counterparts. The new procedures and Regulation governing the real and potential conflicts of interest were recently adopted.

The Company does not participate in charitable and sponsorship projects with the direct or indirect purpose to influence decisions of governing 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.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Human activity has significantly influenced the climate system change mainly as a result of use of fossil fuels, deforestation and intensive agriculture leading to the warming up of atmosphere, ocean and land.

Sustainability agenda became top priority worldwide resulting in introduction of new regulations and standards which require business to assess their environmental, social and governance performance.

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

This report contains climate-related financial disclosure in accordance with TCFD.

GOVERNANCE

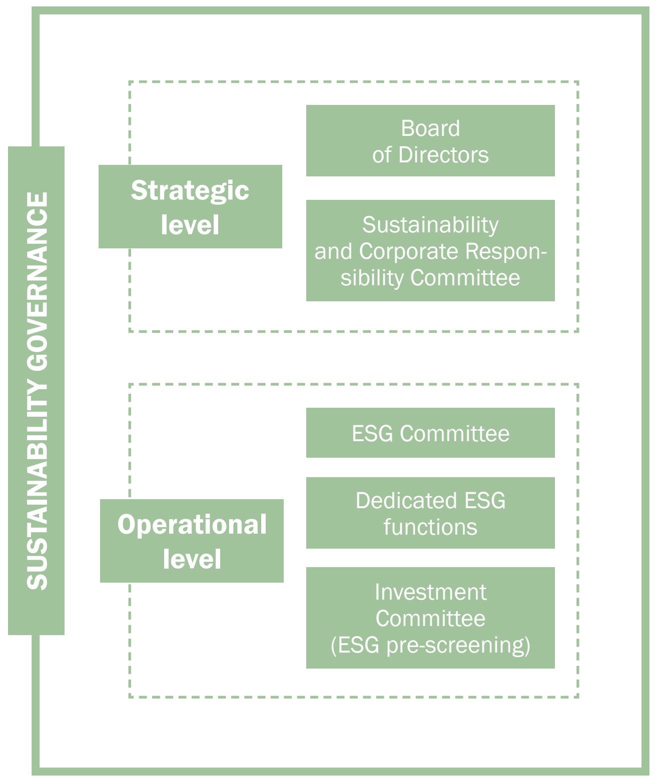
The Board of Directors is responsible for overseeing the climate-related issues. With this purpose the Sustainability and Corporate Responsibility Committee was established in 2020 and consists of the members of the Board. It assists the Board of Directors in fulfilling its responsibility for oversight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

There is also an ESG committee at the executive management level which is responsible for executing sustainability strategy. The ESG committee consists of the key members of executive management is chaired by the CEO. The committee sets and reviews key ESG performance indicators together with other issues including risks, strategy and realisation of sustainability projects by the Company.

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

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

On a quarterly basis the Director for Business Development and Investor Relations reports key ESG KPIs, progress key concerns to the ESG committee of the Executive Management Board and to the Board of Directors.



STRATEGY

Around 30 years ago the climate change became a front-page issue in the global agenda when the United Nations Framework Convention on Climate Change was adopted. Since then, the topic picked up momentum as a global warming became obvious and notable. Currently businesses view climate change among the most significant risks and embed these risks into their business models. Astarta considers climate risks while planning its operational activities and plans to perform a formal scenario analysis of such risks.

Impact of climate change is first and foremost observed in the Agriculture segment due to increase climate-related hazards such as heat stress, lower precipitation and drought leading to lower harvests and financials results. Astarta adapted to these climate change risks by increasing the share of winter crops in the crop rotation cycle. Winter crops have better access to moisture in soil in spring and are harvested before the hottest summer months.

The Agriculture segment is the key supplier of raw materials, sugar beets and soybeans, to the Sugar production and the Soybean processing segments. Therefore, the agricultural output has a direct impact on the results of other segments. Following a gradual shift in climate favourable zones for crop growing from South-East to North-West of Ukraine sugar beet growing activities in certain areas such as the Kharkiv region became significantly riskier. In response to these changes Astarta divested two sugar plants and stopped growing sugar beet in this region. The Company is expanding soybean growing in North-Western regions of Ukraine which enjoys higher precipitation.

To have a better understanding of possible long-term climate risks for its business and measures that Astarta can undertake to reduce the negative impact it initiated the development of a Climate Action Plan in partnership with the European Bank for Reconstruction and Development in 2022.

The Climate Action Plan anticipates producing a set of measures for the whole company and for each business segment after the following stages:

a) Review of Astarta's operations and their environmental impact, including greenhouse gas emissions;

b) Analysis of the Company's exposure to key climate risks (transition and physical) and opportunities;

c) Identification of potential climate sensitivities in the supply value chain;

d) Stress-testing and financial materiality assessment of the Company's business operations under different climate change scenarios;

e) Implementation and monitoring reporting and evaluation ("MRV") of relevant metrics and targets for each business segment;

f) Identification of climate action priorities and climate-aligned investment planning.

Also with the support from DEG, the German development finance institution, Astarta plans to start cooperation with IfaS, the German Institute for applied Material Flow Management to perform an Energy Efficiency Check of its production assets in 2022. The project is also tasked with developing specific targets for reduction of energy use, input resources, carbon emissions and identifying required technologies and investments.

The above projects will assist Astarta with crystallising a dedicated climate change strategy with a decarbonisation pathway and comprehensive climate risks analysis for sustainable development of its business in the next decades.

RISK MANAGEMENT

Efficient risk management is the basis for delivering the Company's strategic goals. Astarta sees risk management as an important element of future business growth in a sustainable manner considering all types of risk it may face. Among such risks are climate risks which are incorporated into general risk management framework of the Company.

Astarta developed AgriChain, a proprietary software platform for agribusiness management which provides IT solutions helping the Company to better manage the physical risks through precise application of agricultural inputs and technology.

Astarta also actively works with local farmers through a dedicated Partnership centre to secure the required volumes of raw materials such as sugar beets and soybeans for processing.

The Company buys insurance against harvest loss from droughts, natural disasters, abnormally low or high temperatures.

Astarta's farmland bank is spread among different regions of Ukraine providing diversification against unfavourable weather patterns on its operations.

Use of modern drought-resistant crop hybrids and increase in share of winter crops reduces risks related to volatility in precipitation.

According to TCFD Astarta identifies two groups of climate risks: transition and physical risks.

Climate related risks relevant to Astarta

Group of Transition risks

- Policy and legal risks

Impact: adoption of climate regulatory controls and imposition or increase in environmental payments such as a tax and carbon-pricing mechanisms may lead to additional costs in the form of taxes, or fines in case of violation of corresponding legislation.

Ways for mitigation: strengthening of the corporate governance, legal and compliance functions.

- Technology risk

Impact: the development and use of emerging technologies may lead to loss of competitiveness of the Company's products due to higher cost of production.

Ways for mitigation: permanent assessment of new technologies, professional growth of key employees responsible for R&D, integration of the technology cost-benefit analysis into the investment decision process.

- Market risk

Impact: decline in demand for the Company's products due to change in consumer preferences in favour of new climate sustainable products.

Ways for mitigation: expansion of the product range, assessment of global food trends and scenario analysis, cooperation with food industry leaders.

- Reputation risk

Impact: potential negative media coverage on the Company's contribution to climate change can damage reputation among stakeholders.

Ways for mitigation: crisis management plan, monitoring of media activity, proactive communication with all stakeholders, professional PR team.

Group of Physical risks

- Acute risk

Impact: increase in severity of weather events such as heat stress, low precipitation and drought may lead to deterioration of production results in agriculture.

Ways for mitigation: increase the share of winter crops in crop rotation, use of drought-resistant crop hybrids with shorter vegetation period, irrigation, precision farming, regenerative agricultural technology.

- Chronic risk

Impact: gradual shift in climate favourable zones for crops growing from South-East to North-West of Ukraine may lead to the decline in yields of crops that are more sensitive to precipitation and high temperatures.

Ways for mitigation: increase the share of winter crops in crop rotation as winter crops are better secured in terms of moisture, use of drought-resistant crop hybrids with shorter vegetation period season, irrigation, precision farming, regenerative agricultural technology, further geographical diversification of the land bank towards North-West of the country.

For more information on risk management please refer to the Risk Management section of this report.

Astarta also sees opportunities related to climate change such as participation in the voluntary carbon credit markets. If carbon farming is used across all farmlands, the Company may potentially remove significant volumes of CO_2 from the atmosphere creating carbon credits which can be used by high emitters to offset their unavoidable emissions.

Transition to a low carbon economy will stimulate farmers to switch from conventional farming methods in favour of minimal or no-tillage turning agriculture into a key carbon sink. Reduced tillage also improves soil health, preserves from erosion, protects biodiversity and eventually leads to higher productivity. Currently Astarta has 110kha of farmland under minimal and subsoil tillage.

METRICS AND TARGETS

Astarta launched development a Climate Action Plan in partnership with the European Bank for Reconstruction and Development. The action plan will include targets developed in line with the Science Based Targets Initiative (SBTi).

The Company also enhanced its reporting of GHG emissions extending the disclosure to include Scope 2 and partial Scope 3 emissions. For more information, please refer to the section Emissions and Acting on Climate Change of this report.

Along with setting the long- and medium-term SBTi based targets within the Climate Action Plan Astarta also expects to come up with specific targets for improvement in energy and other natural resources use, GHG emissions and required investments with assistance from IfaS, the German Institute for applied Material Flow Management.

EU TAXONOMY DISCLOSURE

According to the EU Taxonomy regulation, 2021 annual reports by non-financial undertakings are under obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU. The report needs to single out the proportion of business activities that are considered as eligible and non-eligible with the Taxonomy in their turnover, capital expenditure and operational expenditure.

To identify eligible activities Astarta conducted preliminary screening of its activities with respect to their eligibility 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 (EUR491m), capital expenditures (EUR16m) and operational expenditure (EUR140m) were derived from non-eligible activities per below.

For this disclosure:

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

At the same time Astarta has activities which it believes to be environmentally sustainable and are not EU taxonomy eligible. Among these activities are:

1. Anaerobic digestion of organic material with the resulting production of biogas. The Company operates a biogas facility which uses sugar beet pulp, a by-product of sugar beet processing, for production of biogas. The biogas is supplied to other production subsidiaries of the Company. Therefore, the revenues from this supply are recognised as intercompany revenues;
2. Organic farming. The organic farming methods utilised by Astarta improve soil health and contribute to removal of CO_2 from the atmosphere. One of the Company's subsidiaries obtained the status of an organic producer and uses 1.8kha of farmland for its operations. In 2021 revenues from sale of organic produce to external customers were EUR0.8m.

Within the process of development of a climate action plan in future, Astarta will conduct a more detailed screening for the eligibility and alignment of its activities with the Taxonomy.

Board of Directors of Astarta Holding N.V.

06 April 2022

Amsterdam, the Netherlands

Mr. V.Ivanchyk	*(signed)*
Mr. H.A. Dahl	*(signed)*
Mr. V.Gladky	*(signed)*
Mr. M.M.L.J. van Campen	*(signed)*
Mr. G. Mettetal	*(signed)*
Mr. H. Arslan	*(signed)*

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CORPORATE GOVERNANCE REPORT

1 GENERAL

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

The Company is registered in the commercial register of the Chamber of Commerce and Industry for Amsterdam under number 34248891.

Astarta's statutory seat is in Amsterdam, the Netherlands. The Company's registration address is Jan van Goyenkade 8, 1075 HP, Amsterdam, the Netherlands.

The Articles of Association (statuten) were executed on 9 June 2006 and amended on 05 June 2018.

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

Astarta is pleased to present the corporate governance report of the Company for the 2021 financial year.

2 BOARD OF DIRECTORS

(a) Appointment and composition of the Board of Directors

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

The Board of Directors of the Company consists of six members: two Executive Directors A, one Executive Director B, and three Non-Executive Directors C.

Directors A and Director B 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 on activity of Executive Directors. Besides that two Non-Executive Directors – Mr. Dahl and Mr. Mettetal, are independent from the Company, shareholders of the Company and the other Directors. One of the Executive Directors – Mr. Van Campen – is also independent.

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

The members of the Board of Directors shall be appointed for a maximum period of four years. Reappointment is possible on each occasion for a maximum period of four years, whereby the Non-Executive Directors may be reappointed once for another four-year period. The Non-Executive Directors may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. The profiles of the Board Members and re-appointment schedule can be found on page 69-70.

The composition, duties and other issues of the Board of Directors of the Company are regulated by the Rules of the Board of Directors adopted in accordance with article 15 paragraph 10 of the Company's Articles of Association, Chapter 2 of the Dutch Corporate Governance Code (as defined hereafter) applicable at the time and Best Practice of GPW-listed Companies (as defined hereafter). The Rules of the Board of Directors are applied and interpreted with reference to the Dutch Corporate Governance Code and the WSE Corporate Governance Rules. It can be viewed on the Company's website (www.astartaholding.com).

The Board of Directors of Astarta consists of Mr. Viktor Ivanchyk and Mr. Viktor Gladky, as the Executive Directors A, Mr. Marcus Van Campen, as the Executive Director B, Mr. Howard Dahl, Mr. Gilles Mettetal and Mr. Huseyin Arslan as the Non-Executive Directors C.

(b) Representation

The Company is represented by the Board of Directors, however the Board may entrust the Executive Director A acting jointly with Executive Director B with operational management of Company and Non-Executive Directors will supervise the policy and the fulfilment of the duties by Executive Directors.

The Board of Directors is also authorised to grant power of attorney to represent the Company to one official with general or limited power of representation. Nevertheless, such official shall meet requirements of having no conflict of interest and with due observance of the limitations imposed on his or her powers. The Board of Directors determines the titles of such officials.

On 28 May 2021 the General Meeting of Shareholders resolved to appoint Mr. Valeriy Sokolenko, the Executive Director of LLC Firm "Astarta-Kyiv", as the person that will be temporarily charged with the management of the Company when all Directors are absent or unable to act. Such appointment is in accordance with Article 19 of the Articles of Association. In 2021 there were no cases of absence or inability to act of all Directors.

(c) The Directors

Following the demands of the best practice provision 2.1.1. of the Dutch Corporate Governance Code the Company has a profile for its Directors, which indicates the information on size, composition and independence of the Board of Directors, the activities, expertise and background of the Directors as well as desired diverse composition of the Board.

The Board of Directors is formed by the following persons:

VIKTOR IVANCHYK (born in 1956)
Executive Director A, Chief Executive Officer, Ukrainian national

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

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

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

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

Shares owned in the Company (as at 31 December 2021): 5,000,000 (20.00%) (Ivanchyk Family: 10,000,000 (40.00%)) shares in the Company held through a Cypriot holding company named Albacon Ventures Ltd.

HOWARD DAHL (born in 1949)
Non-Executive Director C, Chairman of the Board of Directors, US citizen

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

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

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

Shares owned in the Company (as at 31 December 2021): 6,717 (0.03%).

VIKTOR GLADKY (born in 1963)
Executive Director A, Chief Financial Officer, Ukrainian national

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

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

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

Shares owned in the Company (as of 31 December 2021): 13,109 (0.05%).

MARC VAN CAMPEN (born in 1944)
Executive Director B, Chief Corporate Officer, Dutch national

Mr. Marc van Campen serves as an Executive Director B with the Company since its incorporation.

Prior to joining Astarta, Mr. Van Campen served in several positions with Océ Van der Grinten N.V. and most recently, until 2002, as a general counsel of NBM-Amstelland N.V. a Dutch company listed on the Amsterdam Stock Exchange and at that time one of the largest companies in the Netherlands in the field of construction and project development.

Mr. van Campen has, in the previous seven years, been Director at Montferland Beheer BV at Schoonhoven (NL), Director at Ovostar Union NV, Amsterdam, quoted on the Warsaw Stock Exchange, Director of the European subsidiaries (outside Italy) of Salvatore Ferragamo SpA at Florence, Italy, Director of International Internet Investments Coöperatief U.A. at Amsterdam and Director of Global Worth Poland Real Estate N.V. at Amsterdam.

Mr. van Campen is still holding the positions in the following entities: Salvatore Ferragamo SpA and International Internet Investments Coöperatief U.A.

He graduated with a master's in law from the University of Nijmegen in 1968.

Shares owned in the Company: 0.

GILLES METTETAL (born in 1961)
Non-Executive Director C, French national

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

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

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

Shares owned in the Company: 0.

HUSEYIN ARSLAN (born in 1962)
Non-Executive Director C, Canadian citizen

Mr. Huseyin Arslan has 30 years of international experience in global pulses and staple foods business. He presided as the President of AGT's Arbel Group subsidiaries in Turkey for 21 years. Mr. Arslan was one of the founding shareholders of Saskcan, where he has served as a director or trustee since 2008 and Executive Chairman of the Board since 2009. He also served as a director of AGT subsidiary, Durum Gida Sanayi ve Ticaret A.Ş. ("Durum") and other companies in Turkey.

Mr. Arslan holds a Bachelor of Science in Electronics Engineering from Middle East Technical University in Turkey.

In 2015, Mr. Arslan was a President of the Global Pulse Confederation, as well as held positions in the Mersin Trade Commodity Exchange Council. Currently the president of Mediterranean grain pulses and oily seeds Exporters Union in Turkey.

Shares owned in the Company: 0.

The Resignation Schedule for Members of the Board of Directors has been drawn up in accordance with article 6.2 of the Rules of the Board of Directors. It can be viewed on the Company's website (www.astartaholding.com)

This schedule is completed, considering that a member of the Board of Directors will be appointed or reappointed for four-year terms, whereby the Non-Executive Directors may be reappointed once for another four-year period and then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years.

The Resignation Schedule is as follows:

Name	Date of first appointment as director	Date of (possible) reappointment	Max. term
VIKTOR IVANCHYK	June 2006	May/June 2022	Not Applicable
VIKTOR GLADKY	June 2014	May/June 2022	Not Applicable
MARC VAN CAMPEN	June 2006	May/June 2022	Not Applicable
HOWARD DAHL	March 2017	May/June 2025	May/June 2029
GILLES METTETAL	May 2018	May/June 2022	May/June 2030
HUSEYIN ARSLAN	May 2019	May/June 2023	May/June 2031

(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 2021 was 5,019,826 amounting to approximately 20,08% of the issued and paid-up share capital of the Company. The shareholding of the Directors has been notified to the AFM (Autoriteit Financiële Markten).

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 can be viewed on the Company's website (www.astartaholding.com)

In accordance with Article 2:98 of the Dutch Civil Code and article 10 of the Company's Articles of Association the Company may repurchase shares in set cases, but the number of shares, the manner and the price in which they may be acquired should be specified.

The General Meeting of Shareholders on 28 May 2021 (a) authorised the Board of Directors to continue repurchasing shares in the capital of the Company up to a maximum of 12,500,000 shares, being 50% of the currently issued and paid up share capital for a purchase price per share of up to PLN 125.00, and (b) to authorise that the repurchase shall take place through a broker in the open market and is for the purpose of meeting obligations arising from (i) debt financial instruments exchangeable for or convertible into equity instruments and/or (ii) employee share option programmes, or other allocations of shares to employees of the Company or of a group entity of the Company, and (c) to resolve that the authorization is valid for a period of eighteen months from 28 May 2021. Should the repurchased shares not (entirely) be used for its stock option plan, or for obligations arising from debt financial instruments exchangeable for or convertible into equity instruments, such repurchased shares may be sold again in the open market in accordance with Dutch law and the terms of the Company's insider trading policy.

As of 31 December 2021, the Company repurchased 750,000 shares.

(e) Chairman of the Board of Directors and the Corporate Secretary

The Chairman of the Board of Directors is the person who 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.

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

Mr. Howard Dahl held the position of the Chairman of the Board of Directors in 2021. The General Meeting of Shareholders on 28 May 2021 reappointed Mr. Howard Dahl as Non-Executive Director C in accordance with the Articles of Association of the Company for the period of 4 (four) years.

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 authorised persons to determine when, how, and by whom the business of the Board of Directors was conducted.

From 09 November 2021 Mrs. Tetiana Gromova acts as the corporate secretary of the Company, her profile is available on the Company's website (www.astartaholding.com).

(f) Independence of the Board of Directors

The Company meets all requirements of the Dutch Corporate Governance Code regarding the independence of the Non-Executive Directors according to the provision 5.1.1. Following the best practice provision 5.1.3 of the Code the Chairman of the Board of Directors was not a former Executive Director and is independent within the best practice provision 2.1.8.

In opinion of the Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive, have been fulfilled.

(g) Board meetings and attendance rate

For the reporting period the Board has held 6 (six) Board meetings and 3 (three) committee meetings. As a general rule, all Board members were present at the Board meetings and committee meetings. An exclusion was the Board meeting as of 09 August 2021, during which Mr. Marc van Campen was absent due to a medical reason and in accordance with the best practice provision 9 of the Articles of Association of the Company Mr. van Campen authorized Mr. Ivanchyk to represent him at this meeting by means of a written proxy.

(h) Evaluation of the Board of Directors

In summer 2021 the members of the Board of Directors have performed self-assessment by filling the corresponding questionnaire in relation to their professional efficiency, presence of expertise to perform the Company's strategic planning, establishment and sharing of the Company's mission and corporate values. Consequently, all Board members are deemed to be qualified for their positions.

3 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 the applicable Committee Charter, which is approved by the General Meeting of Shareholders, Charters of the Committees 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 Audit Committee consists of the Chairman – Mr. Mettetal, and one member – Mr. Van Campen.

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

Within 2021 financial year the Audit Committee, inter alia, discussed effectiveness of the risk-management and internal control systems functioning, held the meeting with external auditors and discussed the audit. Additionally, the Audit Committee also considered the Internal Audit Reports and the annual summary of the Whistleblowing line's operation.

The Charter of the Rules governing the Audit Committee can be viewed on the Company's website (www.astartaholding.com).

(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.

Within 2021 the members of the Remuneration Committee were Mr. Dahl (the Chairman) and Mr. Mettetal.

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

During 2021 the Remuneration Committee conducted one meeting, during which remuneration and short-term incentive targets (STI) for Executive Directors A were discussed.

The Charter of the Rules governing the Remuneration Committee can be viewed on the Company's website (www.astartaholding.com).

(c) Sustainability and Corporate Responsibility Committee

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

The Sustainability and Corporate Responsibility Committee consists of the Chairman – Viktor Ivanchyk and two members – Howard Dahl and Gilles Mettetal.

The Charter of the Rules governing the sustainability and corporate responsibility committee can be viewed on the Company's website (www.astartaholding.com).

4 CORPORATE VALUES

The corporate values of the Company are presented on the Company's website and in the Code of Conduct. Among them are as follows: impeccable business reputation, social responsibility, respect for partners, quality of goods and services, conscientious performance of official duties, respect for colleagues and management team of the Company. Below are the ways how the abovementioned values are incorporated into the Company's business practices.

(a) Impeccable business reputation

Each team member performs daily tasks while taking care 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 honesty.

(b) Social responsibility

The Company takes responsibility for the quality and production processes by all its affiliate 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 a 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 for common results.

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

5 MONITORING THE EFFECTIVENESS OF THE CODE OF CONDUCT

The Company systematically monitors the effectiveness of the Code of Conduct. The above function lies with the HR department and Compliance Committee. During the reporting period the Compliance Committee held two meetings. The Committee has not identified gross violations of the Code of Conduct. In August 2021 the Company appointed a compliance officer to conduct further monitoring of effectiveness of the Code of Conduct more thoroughly.

6 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 ensured, and (iii) the remuneration package with shareholder's interests is aligned over both 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 has committed itself to provide a total remuneration that is competitive, comparable to and consistent with the practice in the agri-industry on a comparable market and is reasonable in relation to the Company's operating results and size.

The Remuneration Policy for the Board of Directors can be viewed on the Company's website (www.astartaholding.com).

7 SHAREHOLDERS MEETINGS, BOARD MEETINGS AND COMMITTEES MEETINGS IN 2021

The Company started its financial year from the discussion of the main operational and financial objectives, proposals in respect of strategy of the Company and corporate social responsibility matters.

The date for the Board Meeting in 2021 was decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes was sent in advance to the Directors. The Chairman of the Board of Directors took all steps to ensure that the necessary time is allowed for an effective discussion of the items on the agenda during the meeting, and to take point of view from every Director who wished to put it forward. To make the meeting more effective the Company invited persons directly responsible for the areas related to the Board's agenda.

The Company has a one-tier structure where management and supervisory functions are joined in the Board of Directors. With evaluation purposes the Company encourages the Non-Executive Directors to hold meetings for discussing the management performance of the Executive Directors and Committee's activity without Executive Directors being present.

The annual General Meeting of Shareholders of the Company was held in Amsterdam, the Netherlands on 28 May 2021.

Within the financial year 2021, the Board of Directors held: six meetings via a conference call, on 07 April 2021, 17 May 2021, 27 May 2021, 28 May 2021, 09 August 2021, 09 November 2021.

Within the financial year 2021, the Audit Committee was held via conference call on 17 April 2021 and 09 November 2021.

Within the financial year 2021, the Remuneration Committee was held via conference call on 28 May 2021.

8 GOVERNANCE AND CONTROL

(a) Dutch Corporate Governance Code

On 9 December 2003, a committee commissioned by the Dutch Government (Commissie Tabaksblat) published the Dutch corporate governance code, which was amended on 10 December 2008 and became effective on 1 January 2009 (the "Dutch Corporate Governance Code"). The Dutch Corporate Governance Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. Dutch companies, whose shares are listed on a government-recognised stock exchange, whether in the Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not and to what extent they apply the provisions of the Dutch Corporate Governance Code. If a company does not apply the best practice provisions of the Dutch Corporate Governance Code, it must explain the reasons why it does not apply them. On 8 December 2016 the Dutch Corporate Governance Code Monitoring Committee has published the revised Dutch Corporate Governance Code (the Code). The Code has been revised at the request of the National Federation of Christian Trade Unions in the Netherlands (CNV), Eumedion, the Federation of Dutch Trade Unions (FNV), Euronext NV, the Association of Stockholders (VEB), the Association of Securities-Issuing Companies (VEUO) and the Confederation of Netherlands Industry and Employers (VNO-NCW). The most important change is the central role given to long-term value creation, and the introduction of 'culture' as a component of effective corporate governance. In addition, the Code has been updated in a number of other areas. The revised Code came into effect as of January 01, 2017.

The Code is publicly available on the Company's website: www.astartaholding.com and on the website of the Monitoring Commissie: www.mccg.nl/english .

(b) WSE Corporate Governance Rules

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.

Amended principles of "The Code of Best Practice for WSE Listed Companies" are applicable to companies listed on the Warsaw Stock Exchange. The document is available on the website (www.astartaholding.com) in part "Corporate documents".

(c) Application of the Corporate Governance Codes

The Company intends to comply with the Corporate Governance Codes, inter alia, by approval of the corporate governance documents.

The above-mentioned set of corporate governance documents includes:

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

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

(d) Confirmations in relation to the Dutch Corporate Governance Code

There has not been conflict of interest situations between the Directors and the Company during financial year 2021 in line with the Principle 2.7 of the Dutch Corporate Governance Code. The Board of Directors would like to confirm that if there had been such situations, the Board of Directors would report any potential conflict of interest in a transaction that is of material significance to the Company and/or to such Director, to the Non-Executive Directors and to other members of the Board of Directors without delay following the best practice provisions 2.7.3 of the Dutch Corporate Governance Code. The Director and/or Non-Executive Director would have provided all relevant information with that regard, including the information relevant to the situation concerning a spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Director and/or Non-Executive Director would have reported any conflict of interest or potential conflict of interest in a transaction that is of a material significance to the Company and/or to such Director, to the Non-Executive Directors or to the Chairman of the Board of Directors. The Board would have decided outside the presence of such Director and/or Non-Executive Director concerned, whether there is a conflict of interests.

The Board of Directors also confirms that there has not been any conflict of interest situations between the Company and shareholders holding more than 10% of the shares in the Company's capital during the financial year 2021. The Board of Directors also confirms that if there had been any such situations, it would have acted in compliance with the best practice provision 2.7.5. of the Dutch Corporate Governance Code assuring that such transactions should be agreed on terms that are customary in the market. Decisions to enter in such transactions that are of material significance to the Company and/or such shareholders would have required prior approval of the Non-Executive Directors. Such transactions would have been published in the management report, together with a declaration that best practice provision 2.7.5. has been complied with.

The Board of Directors also confirms that no personal loans, guarantees, or the like, unless in normal course of business, were granted to Directors and/or Non-Executive Directors in compliance with the best practice provision 2.7.6 of the Dutch Corporate Governance Code.

Anti-takeover measures are a precautionary strategy used to protect the company's autonomy and market competitiveness. Management of Astarta tries to consider appropriate measures to mitigate the main risks in connection with takeover.

In accordance with the best practice provision 4.1.3. of the Dutch Corporate Governance Code resolutions to approve the policy of the management board (discharge of management board members from liability) and to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability) shall be dealt as separate agenda items of the general meeting. By Laws of the General Meeting of Shareholders of Astarta Holding N.V. effective from 29 June 2007 set the list of issues which the agenda of the General Meeting of Shareholders shall contain.

(e) Long-term value creation

Following the Principle 1.1. of the Dutch Corporate Governance Code, the Board of Directors is focused on long-term value creation for the Company and its affiliated enterprises and takes into account stakeholders' interests. 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 new technologies and changes in business models and meeting stakeholder expectations.

The Company's interpretation of the concept of long-term value creation is to create 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's annual report states that Astarta adopts and 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 protection, labour protection, safety, energy consumption and safety of products. These elements are part of the corporate integrated management system. The Energy Efficiency Programme was developed to improve energy use and reduce its consumption at Astarta's production subsidiaries. Management targets reduction of gas and electricity consumption as an important element of business sustainability.

The Company has also determined the main principles of climate actions in the Policy on Climate change, GHGs emissions and Energy efficiency for the purposes of emissions control. The Company also supports sustainable approach in relation to handling waste.

Following the provisions 1.1.3, 1.1.4. of the Dutch Corporate Governance Code Non-Executive Directors supervise how the Executive Directors work on the Company's long-term value creation. The Board regularly discusses the progress and planned steps in this regard and works on the long-term value creation strategy. The Executive Directors on a regular basis present their views on long-term value creation strategy, discuss the suggested short-term and long-term developments considering the work performed for the past financial year.

9 INTERNAL CONTROL

General

The Board of Directors is responsible for the system of internal risk management and controls, and for reviewing their operational effectiveness.

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 and internal control framework mentioned below describes corresponding elements of such control at the level of the Ukrainian company – Astarta (unless stipulated otherwise), which is established under and acting within Ukrainian legislation.

Control Systems

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

(i) a 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) a direct control form.

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

1) Control over the whole stage of business planning (budgeting)

Preliminary control over relative processes is executed over Astarta vertically, starting from designation of 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 concerning conformity with objectives.

Current control over business plans (budgets) is executed firstly by comparing actual budgets with adopted plans in order to control fixed deviations and prevent adverse forthcomings for particular subsidiaries and Astarta as a whole. All deviations are analysed in order to reveal the reasons for deviating and the measures to be taken in order to eliminate these deviations.

2) Control over revenues and expenses

Control over revenues and expenses of the subsidiaries of Astarta as well as over crediting and withdrawal of funds of these subsidiaries is executed by way of elaboration on regulations regarding budgeting and elaboration of the budget of Astarta's subsidiaries.

The Budget Committee functions in order to improve efficiency of control over revenues and expenses of subsidiaries, which holds meetings on a regular basis to approve budgets and control over budgeting in Astarta and its subsidiaries.

3) Control over sales of subsidiaries of the Group

Astarta provides for centralized sales of the Group's core products. This occurs via negotiations with consumers, drafting schedules of dispatching and sending them to subsidiaries. Control over sales is established in a way of control over execution of the dispatching schedules by the subsidiaries as well as cooperating with the consumers.

4) Control over purchasing and logistic functions of the Group

Astarta provides centralization of purchasing and logistic functions. In addition, the most tenders of purchasing are executed centrally with further control of compliance. It provides for effective and productive operational results.

Functional departments undertake measures for automation of purchasing in order to make the processes more efficient.

5) Control over investment decisions

Astarta has been developing 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 being improved to decrease risks when implementing projects. The Company's internal control system encompasses thorough due diligence of companies, which it regards as a potential investment candidate.

6) Control over financial and tangible assets

Astarta provides for centralized and automated control over accounts receivable in subsidiaries. It helps to increase essentially the financial liquidity system of the Group and the effectiveness of use of financial resources. In addition, Astarta exercises centralized control over the retirement of basic assets and effectiveness of their utilization.

7) Policy of economic security

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

8) Whistleblowing Line

In accordance with recommendations of an external consulting company, Astarta maintains a Whistleblowing Line. Everyone who works in the Company or with Astarta can provide information about suspected fraud or other violations by telephone, post, e-mail, or the Company's website. This information may be left anonymously if the contacting person decides so.

9) Compliance Committee

At the level of LLC Firm "Astarta-Kyiv" the Compliance committee has been functioning for the second year and in 2021 consists of eight members, in particular:

- CEO (Chairman).
- Chief financial officer.
- Chief legal officer.
- Executive Director.
- Business development and IR Director.
- HR Director.
- Head of IT Development Department.
- Head of the Corporate governance and Compliance Department.

The compliance committee supports the Board of Directors with its responsibility in assuring and managing compliance. Under the scope of the compliance committee mainly fall the following fields of expertise such as (i) issues relating to the Code of Conduct, (ii) anti-bribery, (iii) fraud, (iv) conflicts if interests (v) data protection, (vi) human rights, (vii) KYC procedures and (viii) results of operations of the Whistleblowing line. The compliance committee systematically identifies material compliance risks in the abovementioned fields, assists in assurance of compliance with laws and regulations, monitors compliance and report findings and recommendations to the Board of Directors. In 2021, the key focus area was reviewing of the internal procedures regarding the conflict of interests, KYC procedures, human rights protection and data protection. In this respect, the numerous trainings were provided on compliance related topics to the dedicated audiences.

10) Focus on the risk of fraud

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

As a part of process of identifying fraud risks, the Company evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. Forensic specialists evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud. Besides that, to avoid the abovementioned risks, the Company amended corresponding internal Regulations and procedures, and also strengthened the control over the Company's operations at all levels in 2021.

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

The Company also has an electronic procurement system that ensures competitive procedures while selecting product suppliers. All procurements starting from 5 thousand dollars by value shall be processed by this electronic procurement system and approved by the Tender Committee.

In addition, the Company performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for Astarta. The Company identified provisions of those laws and regulations, generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial statements, such as the financial reporting framework and tax and pension laws and regulations.

The Company pays considerable attention to preventive measures. Compliance and security departments monitor compliance with internal Security and Anti-Corruption Regulations. Cases of fraud, in case of their detection, are subject to consideration by the compliance committee. If necessary, internal investigations may be conducted.

As in all audits, the Company addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. The audit procedures to respond to the assessed risks include, amongst others, that the Company evaluated the design and the implementation of internal controls that mitigate fraud risks, retrospective review of the previous year's estimates and incorporated elements of unpredictability in audit. In addition, the Company assessed matters reported on the Astarta's whistleblowing procedures and management's investigation of such matters.

Astarta continues to develop automation of the different internal control functions.

The department of accounting and taxes develops uniform accounting policies for all Astarta's subsidiaries, exercises control over the subsidiaries periodically, and examines compliance of the subsidiaries with the accounting standards and policies in place.

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

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

Deficiencies

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

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

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

(i) standardization and improvement of the financial accounting system and its compliance with IFRS as adopted by the European Union and part 9 of book 2 of the Dutch Civil Code, as well as

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

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

The Board of Directors believes that the Company's internal risk management and control systems have not led to any major problems or material errors in the 2021 financial reporting of the Company. The corresponding internal risk management and control issues were regularly considered by the Audit Committee, when required. The Board of Directors makes every effort for the Company's internal risk management and control systems to be implemented effectively, but note that there are areas where the deficiencies as described above were identified, in relation to which adequate remedial actions have been taken in 2021.

10 DEVIATION FROM THE DUTCH CORPORATE GOVERNANCE CODE AND THE CODE OF BEST PRACTISE FOR WSE LISTED COMPANIES

As the Company is incorporated under the laws of the Netherlands, apart from applying the Code of Best Practice for WSE Listed Companies, the Company complies with the Dutch Corporate Governance Code by applying its principles and provisions that are applicable, or by explaining why the Company deviates from them. The Company adheres to both Dutch Corporate Governance Code and Warsaw Stock Exchange Corporate Governance Rules.

Since the WSE Corporate Governance Rules are similar to the rules provided under the Dutch Corporate Governance Code, a majority of the principles and best practice provisions of the Dutch Corporate Governance Code are being complied with. Since the first General Meeting of Shareholders held after the listing of the Company's shares on the Warsaw Stock Exchange, all the internal documents and regulations concerning the corporate governance rules of the Company were adopted and amended from time to time.

The Company currently does not apply the following provisions of the Dutch Corporate Governance Code:

Best practice provision 2.1.5. diversity policy

The Company has a one-tier board consisting only of male members. When the Company has a vacancy at the Board, it will endeavor to engage female professionals to join the Board to promote gender diversity.

Best practice provision 2.3.2.: establishment of committees

The Company has a one-tier structure with only three Non-executive directors and is therefore not obliged to have committees. However, the Company has a remuneration committee and an audit committee.

Best practice provision 5.1.4: composition of committees

In accordance with this provision, the committees referred to in best practice provision 2.3.2 should be comprised exclusively of Non-Executive directors. Since the Company has only three Non-Executive Directors, the executive directors are also committee members.

Best practice provision 5.1.1: composition of the management board

In accordance with this best practice provision, the majority of members of the management board shall be non-executive directors and shall meet the independence requirements stipulated in the best practice provisions 2.17 and 2.18 of the Dutch Corporate Governance Code. As for the Company, it has three Non-Executive Directors out of six Directors; three members of the Board of Directors are independent. The reason for this is to keep the Board of Directors as small and simple as possible. To apply the best provision 5.1.1 would mean that the Board of Directors should be comprised of nine persons; since Mr. Dahl and Mr. Mettetal are independent non-executive directors, three additional independent non-executive directors would be required. This is not considered to be in the best interests of the Company and would rather complicate matters.

As for “The Code of Best Practice for WSE Listed Companies” the Company does not apply the following:

I. Disclosure Policy, Investor Communications

I.Z.1.15. information about the company’s diversity policy applicable to the company’s governing bodies and key managers; the description should cover the following elements of the diversity policy: gender, education, age, professional experience, and specify the goals of the diversity policy and its implementation in the reporting period; where the company has not drafted and implemented a diversity policy, it should publish the explanation of its decision on its website.

The Company does not have Diversity policy, as the separate document, however since 2007 year the Company has adopted Rules of the Board of Directors, which include Profile of the Board of Directors, Resignation schedule for members of the Board of Directors and other documents regulating the Board of Directors’ composition, decision making process, working method, allocation of powers and general functioning. Corporate documents of the Company don’t contain the 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, creative individuals possessing the necessary experience and education. Recently the Company has started working on development of the Diversity Policy as a separate document.

II. Management Board, Supervisory Board

II.Z.3. At least two members of the supervisory board should meet the criteria of being independent referred to in principle II.Z.4. and II.Z.4. Annex II to the European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board applies to the independence criteria of supervisory board members.

Irrespective of the provisions of point 1(b) of the said Annex, a person who is an employee of the company or its subsidiary or affiliate or has entered into a similar agreement with any of them cannot be deemed to meet the independence criteria. In addition, a relationship with a shareholder precluding the independence of a member of the supervisory board as understood in this principle is an actual and significant relationship with any shareholder who holds at least 5% of the total vote in the company.

There is only one governing body in the Company, the Board of Directors comprising both Executive and Non-Executive Directors, which fulfils the duties respectively, both of a Polish-style management board and supervisory board. According to the Articles of Association (Article 12.3), at least half of the Non-Executive Directors have to be independent and if the Company has a shareholder holding shares carrying more than fifty per cent (50%) of all voting rights, then the Board of Directors should have at least two independent Non-Executive Directors.

Pursuant to the Articles of Association such independent Non-Executive Director may therefore not be:

a. an officer, employee or agent of the Company;
b. a director, officer, employee or agent of any affiliated company or enterprise;
c. a shareholder holding at least ten per cent (10%) of shares in the Company;
d. a director – or a representative in some other way – of a legal entity holding at least ten percent (10%) of shares in the Company, unless the entity is a group company.

Currently there are two independent Non-Executive Directors in the Board of Directors. The Company believes that due to its single board structure, it is not necessary to appoint more independent Non-Executives Directors. The present composition of the Board of Directors allows protecting properly interests of both minority and majority shareholders and ensures the transparency in functioning. However, if the Company considers that protection of shareholders’ interests is not sufficient, another independent member of the Board of Directors will be immediately recommended to be appointed.

II.Z.5. Each supervisory board member should provide the other members of the supervisory board as well as the company’s management board with a statement of meeting the independence criteria referred to in principle II.Z.4.

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 Rules of the Board of Directors, at least fifty per cent (50%) of the total number of Non-Executive Directors shall be independent in the meaning provided in the Articles of Association of the Company. If the Company has a shareholder holding shares carrying more than fifty per cent (50%) of all voting rights at the General Meeting, then the Board of Directors shall consist of at least two independent Non-Executive Directors. At this stage, there are no shareholders holding more than fifty per cent (50%), however the Company has three independent Non-Executive Directors. The information with respect to profile of the Non-Executive Directors and their activity is set in corporate governance report which is the part of the annual report. II.Z.10.2. a report on the activity of the supervisory board containing at least the following information:

- full names of the members of the supervisory board and its committees;
- supervisory board members’ fulfilment of the independence criteria;
- number of meetings of the supervisory board and its committees in the reporting period;
- self-assessment of the supervisory board.

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

III. General Meeting, Shareholder Relations

IV.R.2. If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through:

1) real-life broadcast of the general meeting;
2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting;
3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary.

The corporate documents of the Company provide that all the meetings take place where the company’s registered office is situated, in the municipality Haarlemmermeer (Shiphol) or any other place within the Netherlands agreed upon by the Board of Directors. In a meeting held elsewhere, valid resolutions can only be taken if the entire issued capital is represented. The Company however supports its shareholders to exercise their voting rights by authorizing the company’s proxies who are bound by instruction or a third party.

11 REMUNERATION REPORT

Background

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 Art. 2:135b of the Dutch Civil Code.

Astarta is interested to remunerate the Directors in such way that they may expect to receive estimation in line with the market, taking into account the annual results of Astarta and individual achievements, namely contribution of each Director to the development of the Company.

Gross profit increased by 80% y-o-y to EUR219m due to the record-breaking yields in grains and oilseeds and higher market prices of agricultural produce. EBITDA increased from EUR113m in 2020 to EUR201m in 2021 with higher contribution from the Agriculture and Sugar Production segments.

In 2021 the Company continued development of elevator business and completed construction of additional 12kt silo tower on the site of Krasyliv elevator which increased total grain and oilseeds storage capacity to 562kt. Besides, the in-house AgriChain Scout system was rolled out on 100% of the Company's arable land area in 2021 (vs 75% in 2020). The system is aimed to improve harvest predictability by integrating crops monitoring, agrochemical status, meteorological data and plant vegetation status. Also, due to Astarta's Partnership Centre amid efficient cooperation with independent farmers was realised and as consequence third-party sugar beet supply reached 20% of total.

The remuneration of the Directors of the Company is also influenced by market trends such as market remuneration rates, market prices for key products, industry trends in types of compensations to retain high-qualified directors. Global sugar prices increased by 25% y-o-y to USD471/t due to expectations of a sugar deficit and rising global prices for all raw materials and utilities (especially gas). In the first half of 2021 domestic market faced sugar shortages amid decrease in sugar production in the previous season caused by a decline in areas under cultivation and weak sugar beet yields. As the result yearly average sugar price in Ukraine increased to USD655/t (+66% y-o-y). Indeed, the new sugar production season was delineated with dynamically rising gas prices causing a severe increase in production costs, since the energy component is the second largest in the cost of production after sugar beet. Prices for mineral fertilizers are also expected to rise and affect the costs of growing sugar beets in the new season. According to the National Association of Sugar Producers "Ukrsugar" beet sugar output in Ukraine totalled 1.44mt (up by 25% y-o-y) with 33 sugar plants running in 2021. Astarta retained its leading position in the Ukrainian sugar market with a 22% share.

During 2020 and 2021 there were no changes in the composition of the Directors of the Company.

The Directors of the Company are remunerated according to the Remuneration Policy adopted on 28 May 2021. The Company shall not make any payments as remuneration to the members of the Board of Directors, whether annual payments, periodical payments/rewards, payments payable on a certain term, entitlements to profits, bonuses or pension payments, whether in cash or in kind, other than in accordance with the Remuneration Policy.

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

Total remuneration

The remuneration policy seeks to enable members of the Board of Directors to receive market competitive levels of remuneration. To this end, 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.

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.

Those members of the Board of Directors (Executive Directors A) 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 A in amount of variable part.

Annual fixed remuneration

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

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

The Executive Directors A shall be remunerated by its subsidiary LLC Firm "Astarta-Kyiv". Thus, the Board of Directors approved the following recommended fixed remuneration of Executive Directors A for 2021: Mr. Ivanchyk, CEO – equivalent of EUR360,000 and Mr. Gladky, CFO – equivalent of EUR276,000.

The abovementioned resolutions are approved based on the Remuneration Policy, the results of examination of the consolidated financial statements as at and for the year 2020 approved by the General Meeting of Shareholders as well as upon the Remuneration Committee's proposals dated 28 May 2021.

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

all in EURk

Director's name	Position	Financial year	Fixed remuneration		Variable remuneration		Total remuneration	Proportion of fixed and variable remuneration
			Base salary	Reimbursable expenses	One-year variable*	Multi-year variable**		
Viktor Ivanchyk	Executive Director A (Chief Executive Officer)	2021	382	-	360	-	742	51% / 49%
		2020	360	-	-	-	360	100% / 0%
Viktor Gladky	Executive Director A (Chief Financial Officer)	2021	271	-	240	-	511	53% / 47%
		2020	240	-	-	-	240	100% / 0%
Marc van Campen	Executive Director B (Chief Corporate Officer)	2021	40	-	-	-	40	100% / 0%
		2020	40	-	-	-	40	100% / 0%
Howard A. Dahl	Non-Executive Director (Chairman of the Board of Directors)	2021	75	-	-	-	75	100% / 0%
		2020	75	-	-	-	75	100% / 0%
Gilles Mettetal	Non-Executive Director	2021	40	-	-	-	40	100% / 0%
		2020	40	-	-	-	40	100% / 0%
Arslan Huseyin	Non-Executive Director	2021	40	-	-	-	40	100% / 0%
		2020	40	-	-	-	40	100% / 0%

** The one-year variable remuneration consists of the annual bonus which is recognised as an expense in the year that the Board of Directors decides that the bonus will be paid based on the performance of the previous financial year. The STI outcome for Net Profit and EBITDA as estimated as of 31 December 2020 and disclosed in the Group's Remuneration report for 2020, amounted to 150% and 138% of fixed remuneration, respectively. Following the decision made by the Board of Directors based on recommendations of the Remuneration Committee in the respective meeting held in May 2021, the actual STI payments were reduced to 100% of fixed remuneration for the financial year ended 2020 for both, Victor Ivanchyk and Viktor Gladky.*

*** The multi-year variable remuneration relates to the performance of LTI targets*

Additionally, expenses on the LTI plan (Multi-year variable) for the year ended 31 December 2021 were accrued for Mr.Ivanchyk in the amount of EUR 600 thousand and for Mr. Gladky in the amount of EUR 415 thousand (2020: no expenses were accrued). These expenses are not part of total 2021 remuneration in the table above, as these LTI awards were not received by management. Total remuneration including accrual for multi-year variable for Mr.Ivanchyk resulted in amount of EUR 1,342 thousand and for Mr. Gladky resulted in amount of EUR 926 thousand for 2021 (2020: for Mr.Ivanchyk in amount of EUR 360 thousand and for Mr. Gladky in amount of EUR 240 thousand).

VARIABLE REMUNERATION

As the Company is public, it is essential that the Company can attract and retain qualified officers to the Board of Directors. Equally, their performance should be focused on achieving those strategic aims which promote the business of Astarta, safeguard and create sustainable long-term value through the achievements of operating goals. Therefore, annual remuneration of the Executive Directors A who take part in a day-to-day operational activity of the Company should reflect performance of Astarta. The total value of remuneration that can be earned rises with the level of performance that is delivered. For this purpose, the Company includes a variable part into the annual remuneration of Executive Directors A. The Company expects that variable compensation will represent between 0% and 80% (depending on whether relevant goals are achieved) of total remuneration of the Executive Directors A. The remuneration structure serves as a motivation for Executive directors A to achieve high results in development of the business that are in line with the long-term interests of the Company and its shareholders.

According to the Remuneration Policy variable remuneration of the Executive Directors A is affected by short-term (STI) and long-term incentives (LTI). The STI is designed to give focus to a range of strategically important annual objectives for a one-year performance period. Collectively, these objectives are targeted to deliver a level of performance which is in line with operational plans, that are vital to create value in the long term. They do not incentivize undue risk-taking or other behaviours which are contrary to the Company's interests. Under the STI, Executive directors A are granted opportunities to earn cash bonuses based on the level of achievement of Net profit and EBITDA metrics for the applicable annual performance period. Measures will normally be weighted as 50% for Net profit and 50% for EBITDA. These metrics are used or defined in the Company's annual report and annual remuneration report, subject to minor adjustments if required, in order to provide an appropriate indicator of management's performance. On 28 May 2021 the Board of Directors acting on the recommendation of the Remuneration Committee set the following performance ranges for the financial year 2021: (i) up to 150% of fixed remuneration, payout will be made if Net profit is no less than EUR25m and EBITDA is no less than EUR115m; (ii) intermediate percentage payments will be made if Net profit is no less than EUR0m and EBITDA is no less than EUR95m; (iii) no payouts will be made if Net profit is less than EUR0m and EBITDA is less EUR95m. Correlation between the performance ranges and variable remuneration of the Executive Directors A based on the STI in the reported financial year is presented in the table below. The STI is paid in cash when performance over the previous year has been assessed, at which time the conditional grant is vested. A decision regarding the STI payment will be made by the Board of Directors based on recommendations of the Remuneration Committee in the respective meeting in 2022.

Performance of the Executive Directors A on STI targets in reported financial year

				Information on performance targets		
Director's name	Position	Metric	Relative Weighing	a) Minimum target / threshold b) Corresponding award	a) Maximum target / threshold b) Corresponding award	a) Measured performance b) Actual award outcome
Viktor Ivanchyk	Executive Director (Chief Executive Officer)	Net profit	50%	a) less than EUR0k b) 0%	a) not less than EUR25,000k b) 150%	a) EUR122,491k b) 150%
		EBITDA	50%	a) less than EUR95,000k b) 0%	a) not less than EUR115,000k b) 150%	a) EUR201,459k b) 150%
Viktor Gladky	Executive Director (Chief Financial Officer)	Net profit	50%	a) less than EUR0k b) 0%	a) not less than EUR25,000k b) 150%	a) EUR122,491k b) 150%
		EBITDA	50%	a) less than EUR95,000k b) 0%	a) not less than EUR115,000k b) 150%	a) EUR201,459k b) 150%

The Company's LTI is designed on give focus to the strategic priorities that will contribute to building sustainable long-term value creation. By making awards in equity of the Company, alignment is created between the Board of Directors and shareholders. The long-term performance is stimulated through the opportunity for the members of the Board of Directors, namely Executives Directors A, to get shares following achievement of key ROE (Return on Equity) goal which is measured for a three-year period. Such incentive is a subject to prior approval of the Board acting on the recommendation of the Remuneration Committee. The Board of Directors acting on the recommendation of the Remuneration Committee determined average ROE in the amount of 7% as a LTI target for performance period 2020-2022. Award payouts range from 0% to 200% of the target number of shares. According to the Remuneration Policy maximum amount of remuneration related to the STI and LTI targets is 80% of the total remuneration. It is expressed in proportion as fixed part to variable part 1:4 or, in other word, variable compensation amounts 4 fixed parts. As the STI part cannot exceed 150% of the fixed remuneration the ceiling for the LTI part is calculated in the following way: (4 - 1.5) = 2.5 fixed parts or 250% of fixed remuneration. Thus, the maximum number of performance-related shares (200% of the target number of shares) is determined by dividing of the amount of the LTI remuneration (250% of fixed salary) by the actual share price. Once the performance period has ended, the Remuneration Committee assesses the extent to which the targets have been met and what part of the shares should vest. The number of shares to vest is adjusted for dividends that have been paid to shareholders over the three-year performance period. Executive Directors A are vested with the performance-related shares only from the treasury shares without any additional issue. In total, the performance share plan covers five financial years, as any vested shares must be retained by the relevant Directors for a further two financial years.

Number of performance-related shares

	Plan	Performance period	Offer date	Award date	Vesting Date	End of holding period	Share balance at January 1, 2021	Awarded in 2021	Vested in 2021	Share balance at December 31, 2021
Viktor Ivanchyk Executive Director A (Chief Executive Officer)	LTI 2020-2022	2020-2022	May 2020	May 2023*	May 2023	May 2025	-	-	-	-
Viktor Gladky Executive Director A (Chief Financial Officer)	LTI 2020-2022	2020-2022	May 2020	May 2023*	May 2023	May 2025	-	-	-	-

** Based on the actual performance as of 31 December 2021 the estimated potential maximum LTI awards amounted to 250% of fixed remuneration or to EUR900 thousand and EUR 690 thousand for Mr.Ivanchyk and Mr. Gladky respectively.*

The Company believes that the goals for the STI and LTI described above contribute to the achievement of the Company's strategic and long-term goals, and the Company's long-term viability as a business, by allowing the Company to attract high-caliber executives who share the Company's long-term goals and values.

Comparative information on the remuneration and the Company performance over the last five financial years

In compliance with point (b), paragraph 1 of Article 9b of the EU Directive on long-term shareholder engagement and Art. 2:135b of the Dutch Civil Code Astarta presents below: the annual change of remuneration of Executive Directors A, the performance of the Company and the average remuneration on a full-time equivalent basis of the Company's employees over at least five most recent financial years.

Annual change	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	Information regarding 2021, thsEUR
Total remuneration of Executive Directors A						
Viktor Ivanchyk, Chief Executive Officer	31%	-1%	-50%	2%	106%	742
Viktor Gladky, Chief Financial Officer	43%	-10%	-51%	-13%	113%	511
Total remuneration of Executive Directors B						
Marc van Campen, Chief Corporate Officer	14%	9%	-8%	0%	0%	40
Total remuneration of Non - Executive Directors						
Howard A. Dahl, Chairman of the Board of Directors	n.a.	7%	-11%	-6%	0%	75
Gilles Mettetal, Non-Executive Director	n.a	n.a	-3%	-9%	0%	40
Arslan Huseyin, Non-Executive Director	n.a	n.a	n.a	0%	0%	40
Company performance						
Net profit	-25%	-130%	109%	409%	1323%	122 491
EBITDA	-21%	-47%	23%	46%	78%	201 459
Average remuneration on a full-time equivalent basis of employees						
Employees of the Company	0%	0%	0%	0%	0%	-
Employees of the Group	42%	12%	19%	9%	15%	7,5

**Employees of the Company are only Directors*

PAY RATIO

The pay ratio compares the total remuneration of the CEO against the average remuneration of Astarta's employees, calculated as an average of all employees as of December 31, 2021. In respect of 2021, the ratio is 98.9 (2020: 55.4). The pay ratio change in the reported financial year was caused by the increase of the average remuneration of full - time employees from EUR6.5k per year to EUR7.5k per year or by 15%. At the same time total remuneration of the CEO increased by 106%. LTI remuneration is excluded from the pay ratio calculation.

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.

REMUNERATION POLICY

The Board of Directors has evaluated the Remuneration Policy. It has considered the input from stakeholders and the requirements of the engagement EU Directive on the encouragement of long-term shareholder engagement (SRD II) and in accordance with Art. 2:135b of the Dutch Civil Code. As a result, amended and restated Policy was approved at the AGM dated 28 May 2021. It became effective from 1 January 2020 (retroactively). The Policy must be resubmitted to the general meeting of shareholders for approval at the 2025 annual general meeting of shareholders. The Remuneration Report 2020 was submitted to the 2021 AGM for its advisory vote, and the meeting unanimously approved the report.

12 REPORT OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Board of Directors, Mr. Dahl, Mr. Mettetal and Mr. Arslan have performed the following actions and duties in their role as Non-Executive Directors in 2021.

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

Mr. Dahl, Mr. Mettetal and Mr. Arslan can be considered independent within the meaning of Best Practice Provision 5.1.1 of the Dutch Corporate Governance Code.

In carrying out their task, they participated in the Board meetings mentioned in paragraph 5 above and advised the Board of Directors on their management activities. Besides this, Mr. Dahl is the Chairman of the Remuneration Committee, and Mr. Mettetal is the member of the Remuneration Committee and the Chairman of the Audit Committee.

In the 2021 financial year Mr. Dahl and Mr. Mettetal held meetings during which the main items discussed were – the remuneration of the members of the Board of Directors, the short-term incentive targets (STI) for Executive directors A, payment of bonuses and the Remuneration Policy of the Company.

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

There were no irregularities in the 2021 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

The Board of Directors hereby represents, to the best of its knowledge, that the statutory financial statements of the Company and its consolidated subsidiaries for the year ended 31 December 2021 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position and the result of the Company and its consolidated subsidiaries, and that the report of the Board of Directors for the year ended 31 December 2021 gives a true and fair view of the position of the Company and its consolidated subsidiaries as at 31 December 2021 and of the development and the performance of the Company and its consolidated subsidiaries during the year ended 31 December 2021, including a description of the key risks that the Company is confronted with.

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 Accountants N.V. which performed the audit of the statutory financial statements of the Company for the period that ended 31 December 2021, 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 Control

The System of internal controls maintains internal control framework, the compliance and includes updates regarding the emergence of new risks.

We routinely work towards continuous improvement of our processes and procedures regarding financial reporting. In line with the best practice provision 1.4.3 of the Dutch Corporate Governance Code, the Board of Directors states in the management report with clear substantiation, that:

- the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Board of Directors of Astarta Holding N.V.

06 April 2022

Amsterdam, the Netherlands

Mr. V.Ivanchyk	*(signed)*
Mr. H.A. Dahl	*(signed)*
Mr. V.Gladky	*(signed)*
Mr. M.M.L.J. van Campen	*(signed)*
Mr. G. Mettetal	*(signed)*
Mr. H. Arslan	*(signed)*

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(in thousands of Ukrainian hryvnias)	*Notes*	31 December 2021	31 December 2020	31 December 2019
ASSETS				
Non-current assets				
Property, plant and equipment	5	**6 149 558**	6 780 822	7 779 761
Right-of-use assets	6	**3 619 723**	3 271 712	3 752 857
Investment property		**-**	84 103	70 690
Intangible assets		**21 613**	35 872	35 378
Biological assets	7	**856 658**	830 893	792 939
Long-term receivables and prepayments	9	**22 863**	6 510	20 767
Deferred tax assets		**6 929**	7 732	25 095
Total non-current assets		**10 677 344**	11 017 644	12 477 487
Current assets				
Inventories	8	**7 020 675**	3 733 947	5 117 473
Biological assets	7	**1 281 360**	745 222	425 624
Trade accounts receivable	9	**663 074**	466 513	607 870
Other accounts receivable and prepayments	9	**1 344 237**	853 779	1 032 787
Current income tax		**3 410**	9 730	12 551
Short-term cash deposits		**6 878**	4 986	18 318
Cash and cash equivalents	10	**356 869**	774 831	326 046
Non-current assets held for sale		**-**	157 727	43 283
Total current assets		**10 676 503**	6 746 735	7 583 952
Total assets		**21 353 847**	17 764 379	20 061 439
EQUITY AND LIABILITIES				
Equity	**11**			
Share capital		**1 663**	1 663	1 663
Additional paid-in capital		**369 798**	369 798	369 798
Retained earnings		**13 096 200**	9 066 354	8 349 380
Revaluation surplus		**1 521 501**	1 926 064	2 482 363
Treasury shares		**(137 875)**	(119 260)	(119 260)
Currency translation reserve		**459 821**	474 036	508 868
Total equity		**15 311 108**	11 718 655	11 592 812
Non-current liabilities				
Loans and borrowings	12	**644 890**	1 218 613	15 608
Net assets attributable to non-controlling participants		**12 852**	24 586	24 909
Other long-term liabilities		**5 855**	4 094	4 093
Lease liability	6	**2 850 501**	2 522 108	2 731 803
Deferred tax liabilities		**125 644**	177 495	259 791
Total non-current liabilities		**3 639 742**	3 946 896	3 036 204
Current liabilities				
Loans and borrowings	12	**245 520**	-	3 874 935
Current portion of long-term loans and borrowings		**299 628**	625 581	56 943
Trade accounts payable		**235 060**	149 949	158 145
Current portion of lease liability	6	**1 022 921**	898 493	953 127
Current income tax		**78 590**	25 762	45 886
Other liabilities and accounts payable	13	**521 278**	315 043	343 387
Liabilities classified as held for sale		**-**	84 000	-
Total current liabilities		**2 402 997**	2 098 828	5 432 423
Total equity and liabilities		**21 353 847**	17 764 379	20 061 439

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(in thousands of Euros)	*Notes*	31 December 2021	31 December 2020	31 December 2019
ASSETS				
Non-current assets				
Property, plant and equipment	5	**198 869**	195 189	294 442
Right-of-use assets	6	**117 058**	94 178	142 035
Investment property		**-**	2 421	2 675
Intangible assets		**699**	1 033	1 340
Biological assets	7	**27 703**	23 917	30 011
Long-term receivables and prepayments	9	**739**	187	786
Deferred tax assets		**224**	223	950
Total non-current assets		**345 292**	317 148	472 239
Current assets				
Inventories	8	**227 040**	107 482	193 681
Biological assets	7	**41 438**	21 452	16 109
Trade accounts receivable	9	**21 443**	13 429	23 007
Other accounts receivable and prepayments	9	**43 471**	24 577	39 086
Current income tax		**110**	280	475
Short-term cash deposits		**222**	144	693
Cash and cash equivalents	10	**11 541**	22 304	12 340
Non-current assets held for sale		**-**	4 540	1 638
Total current assets		**345 265**	194 208	287 029
Total assets		**690 557**	511 356	759 268
EQUITY AND LIABILITIES				
Equity	**11**			
Share capital		**250**	250	250
Additional paid-in capital		**55 638**	55 638	55 638
Retained earnings		**650 995**	521 311	492 290
Revaluation surplus		**68 922**	87 251	112 451
Treasury shares		**(6 103)**	(5 527)	(5 527)
Currency translation reserve		**(274 560)**	(321 597)	(216 347)
Total equity		**495 142**	337 326	438 755
Non-current liabilities				
Loans and borrowings	12	**20 855**	35 078	591
Net assets attributable to non-controlling participants		**416**	708	943
Other long-term liabilities		**189**	118	155
Lease liability	6	**92 182**	72 600	103 391
Deferred tax liabilities		**4 063**	5 109	9 832
Total non-current liabilities		**117 705**	113 613	114 912
Current liabilities				
Loans and borrowings	12	**7 940**	-	146 656
Current portion of long-term loans and borrowings		**9 690**	18 008	2 155
Trade accounts payable		**7 602**	4 316	5 985
Current portion of lease liability	6	**33 080**	25 864	36 073
Current income tax		**2 541**	742	1 736
Other liabilities and accounts payable	13	**16 857**	9 069	12 996
Liabilities classified as held for sale		**-**	2 418	-
Total current liabilities		**77 710**	60 417	205 601
Total equity and liabilities		**690 557**	511 356	759 268

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Ukrainian hryvnias)	*Notes*	**2021**	**2020**
Revenues	*14*	**15 631 176**	12 927 064
Cost of revenues	*15*	**(13 206 756)**	(10 846 636)
Changes in fair value of biological assets and agricultural produce		**4 655 507**	1 664 254
Gross profit		**7 079 927**	3 744 682
Other operating income		**103 916**	49 297
General and administrative expense	*16*	**(983 843)**	(700 304)
Selling and distribution expense	*17*	**(993 473)**	(951 472)
Other operating expense	*18*	**(323 466)**	(359 455)
Impairment of property, plant and equipment	*5*	**-**	(55 034)
Profit from operations		**4 883 061**	1 727 714
Interest expense on lease liability	*19*	**(671 724)**	(673 189)
Other finance costs	*19*	**(141 401)**	(334 267)
Foreign currency exchange gain/(loss)		**34 926**	(527 750)
Finance income	*19*	**12 133**	10 754
Other income		**81 375**	81 569
Profit before tax		**4 198 370**	284 831
Income tax expense	*20*	**(199 833)**	(18 433)
Net profit		**3 998 537**	266 398
Net profit attributable to:			
Equity holders of the parent company		**3 998 537**	266 398
Weighted average basic and diluted shares outstanding (in thousands owf shares)		**24 298**	24 310
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		**164,56**	10,96

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Euros)	*Notes*	**2021**	**2020**
Revenues	*14*	**491 355**	415 630
Cost of revenues	*15*	**(415 958)**	(348 182)
Changes in fair value of biological assets and agricultural produce		**143 835**	54 084
Gross profit		**219 232**	121 532
Other operating income		**3 212**	1 600
General and administrative expense	*16*	**(30 741)**	(22 795)
Selling and distribution expense	*17*	**(31 475)**	(30 884)
Other operating expense	*18*	**(10 155)**	(11 542)
Impairment of property, plant and equipment	*5*	**-**	(1 633)
Profit from operations		**150 073**	56 278
Interest expense on lease liability	*19*	**(20 814)**	(22 162)
Other finance costs	*19*	**(4 290)**	(10 767)
Foreign currency exchange gain/(loss)		**1 003**	(17 134)
Finance income	*19*	**368**	346
Other income		**2 433**	2 648
Profit before tax		**128 773**	9 209
Income tax expense	*20*	**(6 282)**	(598)
Net profit		**122 491**	8 611
Net profit attributable to:			
Equity holders of the parent company		**122 491**	8 611
Weighted average basic and diluted shares outstanding (in thousands of shares)		**24 298**	24 310
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		**5,04**	0,35

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Ukrainian hryvnias)	2021	2020
Profit for the period	**3 998 537**	266 398
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation difference	**(14 215)**	(34 832)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(14 215)**	(34 832)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Decrease of revaluation reserve	**164**	(119 041)
Income tax effect	**(25)**	13 318
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**139**	(105 723)
Total other comprehensive income	**(14 076)**	(140 555)
Total comprehensive income	**3 984 461**	125 843
Attributable to:		
Equity holders of the parent	**3 984 461**	125 843
Total comprehensive income for the year	**3 984 461**	125 843

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Euros)	2021	2020
Profit for the period	**122 491**	8 611
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation difference	**47 037**	(105 250)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**47 037**	(105 250)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Decrease of revaluation reserve	**5**	(5 173)
Income tax effect	**(1)**	383
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**4**	(4 790)
Total other comprehensive income	**47 041**	(110 040)
Total comprehensive income	**169 532**	(101 429)
Attributable to:		
Equity holders of the parent	**169 532**	(101 429)
Total comprehensive income for the year	**169 532**	(101 429)

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Ukrainian hryvnias)	Notes	2021	2020
Operating activities			
Profit before tax		**4 198 370**	284 831
Adjustments for:			
Depreciation and amortization	*5,6*	**1 659 822**	1 709 791
Allowance for trade and other accounts receivable	*9*	**10 986**	23 727
Loss on disposal of property, plant and equipment	*18*	**43 018**	27 257
VAT written off	*18*	**40 647**	18 821
Interest income	*19*	**(9 490)**	(7 227)
Other finance income	*19*	**(2 643)**	(3 527)
Interest expense	*19*	**98 107**	234 775
Other finance costs	*19*	**54 888**	99 854
Interest expense on lease liability	*6,19*	**671 724**	673 189
Impairment of property, plant and equipment	*5*	**-**	55 034
Changes in fair value of biological assets and agricultural produce	*7*	**(4 655 507)**	(1 664 254)
Disposal of revaluation in agricultural produce in the cost of revenues	*15*	**2 785 993**	1 349 313
Recovery of assets previously written off		**(74 890)**	(5 488)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	*19*	**(11 594)**	(362)
Foreign exchange (gain)/loss		**(34 926)**	527 750
Working capital adjustments:			
(Increase)/decrease in inventories		**(2 129 315)**	1 276 010
(Increase)/decrease in trade and other receivables		**(777 345)**	403 980
Decrease in biological assets due to other changes		**225 088**	70 393
Decrease in trade and other payables		**(71 576)**	(187 868)
Income taxes paid		**(191 764)**	(72 275)
Cash flows provided by operating activities		**1 829 593**	4 813 724
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(413 805)**	(457 115)
Proceeds from disposal of property, plant and equipment		**30 813**	17 255
Interest received	*19*	**9 490**	7 227
Disposal of subsidiaries	*4*	**250 450**	-
Cash deposits placement		**(5 623)**	(4 987)
Cash deposits withdrawal		**3 707**	17 750
Cash flows used in investing activities		**(124 968)**	(419 870)
Financing activities			
Proceeds from loans and borrowings	*12*	**2 649 200**	2 517 098
Repayment of loans and borrowings	*12*	**(3 234 986)**	(5 218 660)
Dividends paid		**(406 171)**	-
Purchase of treasury shares		**(18 615)**	-
Payment of lease liabilities	*6*	**(324 012)**	(280 079)
Payment of interest on lease liabilities	*6*	**(671 724)**	(673 189)
Interest paid		**(102 064)**	(255 408)
Cash flows used in financing activities		**(2 108 372)**	(3 910 238)
Net (decrease)/increase in cash and cash equivalents		**(403 747)**	483 616
Cash and cash equivalents as at 1 January		**774 831**	326 046
Currency translation difference		**(14 215)**	(34 831)
Cash and cash equivalents as at 31 December		**356 869**	774 831

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Euros)	Notes	2021	2020
Operating activities			
Profit before tax		**128 773**	9 209
Adjustments for:			
Depreciation and amortization	*5,6*	**51 386**	55 510
Allowance for trade and other accounts receivable	*9*	**345**	762
Loss on disposal of property, plant and equipment	*18*	**1 351**	875
VAT written off	*18*	**1 276**	604
Interest income	*19*	**(288)**	(233)
Other finance income	*19*	**(80)**	(113)
Interest expense	*19*	**2 976**	7 562
Other finance costs	*19*	**1 666**	3 217
Interest expense on lease liability	*6,19*	**20 814**	22 162
Impairment of property, plant and equipment	*5*	**-**	1 633
Changes in fair value of biological assets and agricultural produce	*7*	**(143 835)**	(54 084)
Disposal of revaluation in agricultural produce in the cost of revenues	*15*	**87 747**	43 314
Recovery of assets previously written off		**(2 315)**	(178)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	*19*	**(352)**	(12)
Foreign exchange (gain)/loss		**(1 003)**	17 134
Working capital adjustments:			
(Increase)/decrease in inventories		**(65 921)**	41 920
(Increase)/decrease in trade and other receivables		**(24 066)**	13 116
Decrease in biological assets due to other changes		**6 968**	2 285
Decrease) in trade and other payables		**(2 216)**	(6 099)
Income taxes paid		**(5 937)**	(2 346)
Cash flows provided by operating activities		**57 289**	156 238
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(12 811)**	(14 841)
Proceeds from disposal of property, plant and equipment		**954**	560
Interest received	*19*	**288**	233
Disposal of subsidiaries	*4*	**7 611**	-
Cash deposits placement		**(174)**	(162)
Cash deposits withdrawal		**115**	576
Cash flows used in investing activities		**(4 017)**	(13 634)
Financing activities			
Proceeds from loans and borrowings	*12*	**82 016**	81 720
Repayment of loans and borrowings	*12*	**(100 151)**	(169 430)
Dividends paid		**(12 155)**	-
Purchase of treasury shares		**(576)**	-
Payment of lease liabilities	*6*	**(10 013)**	(8 787)
Payment of interest on lease liabilities	*6*	**(20 814)**	(22 162)
Interest paid		**(3 160)**	(8 292)
Cash flows used in financing activities		**(64 853)**	(126 951)
Net (decrease)/increase in cash and cash equivalents		**(11 581)**	15 653
Cash and cash equivalents as at 1 January		**22 304**	12 340
Currency translation difference		**818**	(5 689)
Cash and cash equivalents as at 31 December		**11 541**	22 304

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

.CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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 2019	1 663	369 798	8 349 380	2 482 363	(119 260)	508 868	11 592 812
Net rprofit	-	-	266 398	-	-	-	266 398
Decrease of revaluation reserve, net of tax	-	-	-	(105 684)	-	-	(105 684)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(39)	-	-	(39)
Translation difference	-	-	-	-	-	(34 832)	(34 832)
Total other comprehensive loss, net of tax	-	-	-	(105 723)	-	(34 832)	(140 555)
Total comprehensive income/(loss)	-	-	266 398	(105 723)	-	(34 832)	125 843
Realisation of revaluation surplus, net of tax	-	-	450 576	(450 576)	-	-	-
As at 31 December 2020	**1 663**	**369 798**	**9 066 354**	**1 926 064**	**(119 260)**	**474 036**	**11 718 655**
Net profit	**-**	**-**	**3 998 537**	**-**	**-**	**-**	**3 998 537**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**139**	**-**	**-**	**139**
Translation difference	**-**	**-**	**-**	**-**	**-**	**(14 215)**	**(14 215)**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**139**	**-**	**(14 215)**	**(14 076)**
Total comprehensive income	**-**	**-**	**3 998 537**	**139**	**-**	**(14 215)**	**3 984 461**
Distribution of dividends	**-**	**-**	**(406 171)**	**-**	**-**	**-**	**(406 171)**
Purchase of own shares	**-**	**-**	**-**	**-**	**(18 615)**	**-**	**(18 615)**
Share-based incentive plans	**-**	**-**	**32 778**	**-**	**-**	**-**	**32 778**
Realisation of revaluation surplus, net of tax	**-**	**-**	**404 702**	**(404 702)**	**-**	**-**	**-**
As at 31 December 2021	**1 663**	**369 798**	**13 096 200**	**1 521 501**	**(137 875)**	**459 821**	**15 311 108**

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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 2019	250	55 638	492 290	112 451	(5 527)	(216 347)	438 755
Net profit	-	-	8 611	-	-	-	8 611
Decrease of revaluation reserve, net of tax	-	-	-	(4 789)	-	-	(4 789)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(1)	-	-	(1)
Translation difference	-	-	-	-	-	(105 250)	(105 250)
Total other comprehensive income, net of tax	-	-	-	(4 790)	-	(105 250)	(110 040)
Total comprehensive income/(loss)	-	-	8 611	(4 790)	-	(105 250)	(101 429)
Realisation of revaluation surplus, net of tax	-	-	20 410	(20 410)	-	-	-
As at 31 December 2020	**250**	**55 638**	**521 311**	**87 251**	**(5 527)**	**(321 597)**	**337 326**
Net profit	**-**	**-**	**122 491**	**-**	**-**	**-**	**122 491**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**4**	**-**	**-**	**4**
Translation difference	**-**	**-**	**-**	**-**	**-**	**47 037**	**47 037**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**4**	**-**	**47 037**	**47 041**
Total comprehensive income	**-**	**-**	**122 491**	**4**	**-**	**47 037**	**169 532**
Distribution of dividends	**-**	**-**	**(12 155)**	**-**	**-**	**-**	**(12 155)**
Purchase of own shares	**-**	**-**	**-**	**-**	**(576)**	**-**	**(576)**
Share-based incentive plans	**-**	**-**	**1 015**	**-**	**-**	**-**	**1 015**
Realisation of revaluation surplus, net of tax	**-**	**-**	**18 333**	**(18 333)**	**-**	**-**	**-**
As at 31 December 2021	**250**	**55 638**	**650 995**	**68 922**	**(6 103)**	**(274 560)**	**495 142**

The notes on pages 106 to 176 are an integral part of these consolidated financial statements.

1 BACKGROUND

Organisation and operations

These consolidated financial statements are prepared by Astarta Holding N.V. (the "Company"), a Dutch public company incorporated in Amsterdam, the Netherlands, on 9 June 2006 under the Dutch law.

The Company's legal address is Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to Astarta Holding N.V. After the contribution, Astarta Holding N.V. 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").

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, crop growing, soybean processing and cattle farming. The croplands, sugar and soybean processing plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet.

The number of employees were presented as follows:

	2021	2020
operating personnel	3 533	3 718
administrative personnel	982	1 005
sales personnel	285	270
non-operating personnel	20	31
Total number of employees	**4 820**	5 024

(a) Ukrainian business environment and the impact on the Group

(i) In 2021, Ukraine faced significant public debt repayments, which required mobilising substantial domestic and external financing in an increasingly challenging financing environment for emerging markets.

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 has not been resolved to date. On 24 February 2022 Russian Federation started its military invasion of Ukraine. As result the government has introduced a martial law across the country. The relationship between Ukraine and the Russian Federation became very strained.

Under martial law the NBU has introduced some temporary restrictions that has impact on economic environment, such as restriction of cross-border payments in foreign currency, fixing the official exchange rate for 24 February 2022, release of cash from client accounts in foreign currency, suspending debit transactions from the accounts of residents of the state that has carried out armed aggression against Ukraine. These measures aim to ensure the reliable and stable operation of Ukraine's financial system and facilitate the support for the Armed Forces of Ukraine, as well as the smooth operation of critical infrastructure.

In February 2022 inflation rate increased in annual terms up to 10.7%. Inflation pressures due to tensions over a military invasion and then the actual Russian invasion of Ukraine on 24 February. As result food and fuel prices rose most rapidly due to excessive demand and disruptions in supply chains. Together with disrupted logistical chains and higher production costs, stronger demand from the population and a further increase in global energy prices impacts inflation rate in Ukraine.

On 9 March 2022, the International Monetary Fund has approved an additional financing for Ukraine under an emergency support program known as the Rapid Financing Instrument ("RFI") in amount of USD 1.4 billion. The funds disbursed under the RFI program will help to finance priority expenditures of the government and support Ukraine's balance of payments.

On 15 March 2022 the Verkhovna Rada of Ukraine has adopted the following tax till the end of martial law:

- Cancellation of excise duty on fuel and decrease in VAT rate for fuel import from 20% to 7%;
- Annual revenue limit for applying simplified taxation system and pay a single tax has increased from UAH 10mln up to UAH 10 billion and tax rate fixed at 2%, no limitation on employees quantity for large companies;
- Landowners are exempt from paying land tax and land rent in areas where fighting is taking place or temporarily occupied territories, or littered with explosive objects (The list of such territories will be determined by the Cabinet of Ministers of Ukraine), period of exemption is from March 2022 to December 31 of the year following the year in which the martial law will be cancelled;
- Transactions on voluntary transfer of any inventory, provision of services to the Armed Forces of Ukraine and territorial defense units are not taxed;
- Penalty for violating tax law is not charged;
- Amount of VAT paid on the value of purchased goods and services will be included in the tax credit on the basis of primary documents due to the impossibility of registration of tax invoices in the Unified Register of Tax Invoices ("URTI") (Registration of tax invoices in URTI will be completed within six months after the abolition of martial law);
- Environmental tax on facilities located in areas where fighting took place or temporarily occupied territories was cancelled for 2022;

In March 2022 the government has introduced a zero quota on export of mineral fertilizers, cattle, cattle meat, rye, buckwheat, millet, sugar and table salt. Export of wheat, corn, chicken meat, eggs, sunflower oil are subject to licensing. Export of gas is prohibited.

Due to Russia invasion of Ukraine all seaports are blocked and transportation of goods by Black and Azov seas is impossible. Transportation of goods is performed by railway and trucks.

Further economic growth depends upon the resolving the Russia invasion of Ukraine and upon success of the Ukrainian government in realization of new reforms and recovery strategy after stopping the invasion, cooperation with the international funds.

Despite certain improvements in 2021, the ongoing political and economic uncertainties are difficult to predict due to Russia military invasion of Ukrainian territory in February 2022 and they significantly affect the Ukrainian economy and the Company's business.

(ii) The Group is well diversified geographically with its main assets being located in in the Central part of Ukraine (Poltava region), and Western part (Khmelnytskyi, Vinnytsya, Zhytomyr and Ternopil regions) with less than 1% of assets located in Northern (Chernihiv region) and Eastern (Kharkiv region) parts. As at the date of these consolidated financial statements:

- the most intensive military actions are localized in the regions, where Astarta does not operate and, hence, does not have significant assets;
- no critical assets preventing the Group to continue operations are damaged;
- no material assets are lost or located in the uncontrolled territories.

In March 2022 Astarta already started its spring planting campaign of sugar beets in Poltava, Khmelnytskyi and Vinnytsya regions; shortly followed by other regions. All machinery and equipment went under the regular maintenance processes to get ready for the start of the agricultural season. The Group plans to carry out its sowing campaign in similar volumes and period as before in order to ensure food security of the country. The Group already accumulated in Ukraine almost all of the necessary seeds, fertilizers and fuel for the sowing campaign in its warehouses in Ukraine. Half of the fertilizers for spring crops were already implicated into the fields. Each agri subsidiary operates within its own storages of seeds, fuel, fertilizers located in the areas in close proximity to the arable land plots.

The Group plans to commence its harvesting campaign of winter crops as usual in early July and continues till August. Depending on the weather conditions and other factors it is possible to postpone the harvest for one-two weeks without major impact on yields and quality. Procurement of fuel for harvesting season is already in process jointly with the Ministry of Agri and Food and grain associations.

In 2022 the Group plans to operate all of its sugar plants at a capacity of 3% higher than in previous year. The soybean processing plant operates at its normal crushing capacity.

The production cycle of sugar beets of 2020/21 agricultural season is completed; produced sugar is in stock as at 31 December 2021.

Apart from sugar, as at the reporting date the Group has stock of other inventory in its warehouses, like corn, soy and soy products, wheat and sunflower, refer to Note 8. The Group partially sold its agricultural products in January-March 2022 to the local buyers and on export. As at the date of these consolidated financial statements the Group still has significant balances of inventory in good conditions. Currently, Astarta continues to sell its crops, sugar, milk, and soybean crushing products on the domestic market. Given the second year of a sugar deficit on the local market and higher than budgeted price for sugar, the Group believes that will positively affect 2022 financial results. While export by means of sea carriages temporarily is impossible due to suspension of seaports operations, the Group intends to exercise export sales of wheat, corn and soy via railway. The Group is already in the process of rearranging its usual delivery routes from southern to western regions. Due to temporary restrictions on export of certain agricultural products, on 14 March 2022 Group obtain its first license on export of wheat, which it plans to transport via Western border. Transportation routes in the Central and Western parts of Ukraine are not affected by military actions.

Astarta is not trading with the entities in the Ukrainian, EU and US sanctions list or entities associated with the individuals under those sanctions.

In-house agricultural and office IT solutions allow Astarta to maintain business processes remotely in current circumstances. However, in case of any disruption of centralized systems, all Astarta's subsidiaries can operate autonomously according to the internal procedures and regulations.

The Ukrainian government takes various measures to support agricultural operations in Ukraine. The government has approved a mechanism of state guarantees for the loans of small and medium-sized enterprises in the agri sector. The same mechanism for bigger agro companies is in process of implementation and has been already discussed with banks and market players via associations. It was already approved to decrease taxation of fuel supply to the territory of Ukraine. This action will allow further supply of fuel to Ukraine.

As at 31 December 2021 the Group was in compliance with covenants on its loans. As at 17 March 2022 management also prepared the forecast of covenants up until and covering Q1 2023. 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 consolidated financial statements with considerable headroom for the contracted ratios. In management's view, the sustainability of headroom will be ensured through the reduced level of external debts as well as positive operating results. Reduced level of external debt will be maintained through the servicing of existing debt as intended in the initial loan schedules. Group repaid EUR 11 million of loans in January 2022 and obtained a new tranche for EUR 11 million in March 2022.

As of the date of these consolidated financial statements, condition and safety of the Group's assets are not significantly affected by the current invasion by the Russian Federation and the operational, logistic processes were reassessed by the Group to ensure continuity of its business, as described above. Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared a 12 months budget based the assumption of that the degree of intensity of military actions in the regions where the Group's assets are located and the area of Ukrainian territory currently invaded by the Russian troops is not largely increased; the Group is able to carry out the sowing and harvesting campaigns; the railway infrastructure will function and can be used as a way of executing export sales during the period of seaports closure; it will be possible to operate sugar processing plans for the harvested sugar beet in 2022/23; the Group will be able to obtain export licenses for its certain agricultural products.

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 in accordance with the Title 9, Book 2 of the Netherlands Civil Code. The consolidated financial statements were authorized by the Board of Directors on 06 April 2022.

(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 Ukrainian President's Decree approved by Verkhovna Rada 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.

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 military invasion, its duration and short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios of further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might be from significant to severe.

Main specific risks factors include:

- Ability to negotiate with the banks and attract new credit limits (facilities) in Q3 2022, to finance operating activities of the Group. This is contingent upon uncertainty related to availability and will of the banks to provide such new financing
- Ability to obtain cash from the banks available under the already approved, unused credit facilities granted to date or expected to be obtained during the year. Because those facilities are not legally binding and depend, on the ability of banks (mainly Ukrainian banks) to provide cash
- The safety of fixed assets and inventories (the assets), and access to logistic routs is highly contingent upon the development of military activities. There is a significant uncertainty of whether the assets or routs of transportation might be damaged or available and therefore or the Group would not be able to move its assets between locations, customers and suppliers. This may result in additional costs or loss of revenues

In order to analyze the impact of these risks and support its ability to continue as a going concern, management has prepared actualized financial forecast as of the end of March 2022 which shows that the ability of Group to operate as a going concern would be dependent on the following significant assumptions:

- Banks have already approved most of the credit facilities required for the financing of Q1, Q2 and partially Q3 or the approval is in pipeline with the banks. Management would be able to draw the cash from the approved credit facilities to finance operating activities
- Management would be able to negotiate with the banks and attract additional credit facilities in Q3 2022. Historically management maintained a fruitful relation with the banks and was able to attract new financing
- When preparing the actualized financial forecast, management has made the following adjustments to the initial financial forecast, i.e.:
  - decreased sales volume due to possible complications with altering the available routes of transportation, i.e. through the western border instead of the ports of the Black Sea
  - decreased costs due to postponement of large investment projects and removing the non-essential capital expenditures.

Based on these steps that management is taking, management concluded that it is appropriate to prepare the financial statements on a going concern basis. However, due to the uncertain impact of the future development of the military invasion on the above-mentioned significant assumptions underlying managements forecasts, management concludes that a material uncertainty exists, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business..

(c) Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis which assumes the Group will be able to realize 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 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

			31 December 2021	31 December 2020
Name of Subsidiaries:	**Activity**	**Place of business**	% of ownership	% of ownership
Ancor Investments Ltd	Trade and investment activities	Cyprus	100,00%	100,00%
LLC Firm "Astarta-Kyiv"	Asset management	Ukraine	99,99%	99,99%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	Ukraine	99,73%	99,73%
LLC "Agricultural company "Dovzhenko"	Agricultural	Ukraine	99,99%	99,99%
LLC "Astarta Agro Trade"****	Trade	Ukraine	99,99%	90,57%
LLC "Agricultural company "Dobrobut"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agricultural company "Musievske"	Agricultural	Ukraine	99,99%	99,99%
LLC "Globinskiy processing factory"	Soybean processing	Ukraine	99,99%	99,99%
LLC "Investment company "Poltavazernoproduct"	Agricultural	Ukraine	99,99%	99,99%
LLC "List-Ruchky"	Agricultural	Ukraine	74,99%	74,99%
LLC "Agropromgaz"	Trade	Ukraine	99,97%	99,97%
LLC "Khmilnitske"	Agricultural	Ukraine	99,99%	99,99%
LLC "Volochysk-Agro"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agricultural company "Astarta Prykhorollia"	Agricultural	Ukraine	99,99%	99,99%
LLC "Agricultural company "Lan"*	Agricultural	Ukraine	0,00%	99,99%
LLC "Nika"	Agricultural	Ukraine	99,99%	99,99%
LLC "Zhytnytsya Podillya"	Agricultural	Ukraine	99,99%	97,00%
LLC "Astarta Service"	Service	Ukraine	99,99%	99,99%
LLC "Agrosvit Savyntsi"**	Agricultural	Ukraine	0,00%	99,99%
ALC "Novoivanivskiy sugar plant"**	Sugar production	Ukraine	0,00%	95,10%
LLC "Tsukragromprom"	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 "APK Savynska"	Sugar production	Ukraine	0,00%	0,00%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	Ukraine	99,99%	99,99%
PE "TMG"	Agricultural	Ukraine	99,99%	99,99%
LLC "Eco Energy"	Agricultural	Ukraine	99,99%	99,99%
ALLC «Lyaschivka»**	Agricultural	Ukraine	0,00%	99,99%
LLC "Agri Chain"	Research and development	Ukraine	99,99%	99,99%
ALC "Narkevitskiy sugar plant"	Sugar production	Ukraine	99,99%	99,99%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine	99,99%	99,99%
Astarta Trading GmbH	Trade	Switzerland	100,00%	100,00%
LLC «Pochayna-Office»**	Asset management	Ukraine	0,00%	99,99%
LLC "Astarta Invest Service"***	Land management	Ukraine	99,99%	0,00%
LLC "Astarta Agro Protein"***	Soybean processing	Ukraine	99,99%	0,00%

Place of business of all subsidiaries has not changed since previous year.

* LLC "Agricultural company "Lan" as at 31 December 2021 was liquidated.
** In February 2021 ALLC "Lyaschivka" and ALC "Novoivanivskiy sugar plant" were disposed to third party. In March 2021 LLC "Agrosvit Savyntsi" was disposed to third party. In September 2021 LLC "Pochayna-Office" was disposed to third party.
*** In July 2021 LLC "Astarta Invest Service" was established. In October 2021 LLC "Astarta Agro Protein" was established.
**** In July 2021 LLC "Shyshaki combined forage factory" changed its legal name to LLC "Astarta Agro Trade" and its activity from fodder production to trade.

All subsidiaries, except for Ancor Investments Ltd and Astarta Trading GmbH, are incorporated in Ukraine. Ancor Investments Ltd is incorporated in Cyprus, Astarta Trading GmbH is incorporated in Switzerland.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquire. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in income statement.

(e) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machines and equipment classified as property, plant and equipment accounted under revaluation model, biological assets at fair value less estimated costs to sell and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

(f) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associate are eliminated to the extent of the Group's interest in the enterprise. Unrealized gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

(g) Net assets attributable to non-controlling participants in limited liability companies

Substantially all of 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 share of the net assets of the company not later than in 12 months from the date of the withdrawal. Since the non-controlling participants in limited liability companies did not announce about their intentions to withdraw their interest, their interest was recognized as a non-current liability. Limited liability company non-controlling interest share in the net profit/loss is recorded as a finance expense.

(h) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Swiss and Cypriot subsidiaries is Euro (EUR). The operating subsidiaries registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH, which is 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 realize 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 purposes 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. 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 recognized 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	
	2021	2020	31 December 2021	31 December 2020
EUR	32.30	30.80	30.92	34.74
USD	27.28	26.96	27.28	28.28

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is presented as a separate line in the Consolidated Income Statement.

(i) Critical accounting estimates and judgements in applying accounting policies

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital risk management Note 11
- Sensitivity analyses disclosures

- fair value of biological assets Note 7

- impairment of property, plant and equipment Note 5

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 next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment of property, plant and equipment

The Group and its subsidiaries are required to perform impairment tests for their assets or cash-generating units when there is indication that an asset or a cash-generating unit ("CGU") may be impaired. As at 31 December 2021 impairment test was performed.

For the purpose of impairment testing, the Group identified four cash-generating units (CGUs): sugar, agricultural, soybean processing and cattle. 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 next year budget approved by the Group's Budget Committee, comprising CFO, CEO, COO, Commercial Director and Production Director of the Group and for the subsequent years - on the extrapolated forecasts based on the consumer price index and sugar price forecasts of World Bank.

The most recent detailed calculations of impairment for all segments were performed as of 31 December 2021, key assumptions made and reasonably possible changes in these assumptions are disclosed in Note 5. Judgement is required to determine principal assumptions made and the impact on the aggregate value-in-use calculation.

The impact of climate related risks on major assumption incorporated in forecasts and disclosures to relevant assets and obligations remains uncertain and therefore our estimations were not adjusted accordingly. This will remain an area of increased focus in the upcoming reporting period.

Fair value of biological assets

Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net 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, next year budget approved by the Group's Budget Committee and future market prices and economic outlooks. Key estimates and assumptions involved in valuation apart of discount rate are yield, prices for output to be harvested and remaining production costs for crops and milk yield, milk and meat prices for cows of and their sensitivities 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 during planting and harvesting time 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 at 31 December 2021 would result in an increase or decrease in agriculture produce of UAH 262,43 thousand (EUR 8,488 thousand) (31 December 2020: UAH 105,495 thousand (EUR 3,037 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 some estimates for land lease liabilities calculation:

- lease rate;
- discount rate;
- lease term.

The Group includes into lease payments used in measurement of land lease liability total amount of actual variable lease payments that comprise lease rate that vary to reflect changes in market rent 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 at 31 December 2021 would result in an increase or decrease in lease liabilities of UAH 387,342 thousand (EUR 12,526 thousand), (31 December 2020: UAH 342,060 thousand (EUR 9,846 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% increase or decrease in discount rate at 31 December 2021 would result in an decrease or increase in lease liabilities of UAH 199,518 thousand (EUR 6,452 thousand), (31 December 2020: UAH 187,763 thousand (EUR 5,405 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, 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 measurement of assets and liabilities arising from warehouse and office premises lease and lease term for office premises considered as 15 years and for warehouses as 3 years as at each reporting date. For land lease the Group considered extension option as not exercisable given long-term period 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 estimated period during which the assets are expected to earn benefits for the Group. Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2021 would be to increase it by UAH 99,920 thousand (EUR 2,876 thousand), (31 December 2020: UAH 119,349 thousand UAH (EUR 3,436 thousand) or decrease it by UAH 93,602 thousand (EUR 2,694 thousand), (31 December 2020: UAH 90,503 thousand (EUR 2,605 thousand).

We assessed the possible effects of climate change and consider, among others, physical risks, such as those associated with water scarcity, flooding and weather events, as well as transitional risks that can lead to changes in technology, market dynamics and regulations. In our view the resulting impact on the financial position, including underlying assumptions and estimates to be not material and therefore our estimations were not adjusted for this impact. This will remain an area of increased focus in the upcoming reporting period.

3 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are applied in the preparation of the consolidated financial statements

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of each entity at the official foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the foreign exchange rate ruling 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 ruling 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 fair value is determined. Foreign exchange differences arising on translation are recognized 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 recognized directly in other comprehensive income, except to the extent that it reverses a previous impairment recognized in the income statement. A impairment of property is recognized in the income statement, except to the extent that it reverses a previous revaluation increase recognized directly in equity.

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 being 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 portion 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.

Not installed equipment comprises costs directly related to construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction.

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in the accounting estimate.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalized and the carrying amount of the component replaced is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as expenses as incurred.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Depreciation commences when the item of property, plant and equipment is available for use. Land, assets under construction and Not installed equipment are not depreciated.

The estimated initial useful lives are as follows

Buildings	50 years
Constructions	50 years
Machinery and equipment	20 years
Vehicles	10 years
Other property, plant and equipment	5 years

(c) Investment property

Investment property is initially and subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation of investment property is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets.

Investment property consists of buildings. The estimated useful life is 50 years.

(d) Intangible assets, other than goodwill

Intangible assets, which are acquired by the Group and which have finite useful lives, consist mainly from computer software.

Software is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement in the expense category consistent with the function of intangible asset on a straight-line basis over the estimated useful lives, normally 4 years.

The amortization period and the amortization method for intangible asset with a finite useful life are reviewed at least at each year end.

(e) Leases

The Group is a party to lease contracts as a lessee for, among others:

- land plots;
- building for office space and warehouses;
- equipment.

Leases are recognized, measured and presented in line with IFRS 16 Leases.

The Group recognizes assets and liabilities for all leases applying exceptions listed in the standard from 1 January 2018. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2018.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	1 to 49
Buildings	1 to 15
Machinery	1 to 5
Motor vehicles	1 to 3

The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate as of the commencement date of the contract. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured subsequently at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate and when there is a change in the Group's assessment of whether it will exercise extension or termination option.

Each lease payment is allocated between the liability and interest expense on lease liability. Interest expense on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group has applied the cost model to right-of-use assets. The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease payments exclude variable elements which are dependent on internal and external factors such as e.g. energy usage, motor-hours limits etc. Such variable lease payments are not included in the initial measurement of the lease liability are recognized directly in the profit and loss.

The Group has elected not to recognize 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.

(f) Biological assets

The Group classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less accumulated depreciation and accumulated impairment losses. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets is included in the income statement line "Changes in fair value of biological assets and agricultural produce". The Group classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

(g) 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 is included in the income statement line "Changes in fair value of biological assets and agricultural produce".

(h) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets – classification and subsequent measurement – business model

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Financial assets – classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified as:

- Amortised cost (AC);
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL).

Financial assets subsequently measured at amortised cost

After initial recognition such financial assets are subsequently measured at amortized cost using the effective interest method, less any impairment losses. After the initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss. Financial assets of the Group that are subject to expected credit loss model are represented by trade and other accounts receivable, short-term cash deposits and cash and cash equivalents. The Group measures ECL and recognises net impairment losses on financial assets at each reporting date.

The Group does not have financial assets subsequently measured at FVOCI and at FVTPL as at 31 December 2021 and 31 December 2020.

Financial assets – derecognition

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(i) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(j) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation.

Work in progress and finished goods include the cost of raw materials, labour and manufacturing overheads allocated proportionately to the stage of completion of the finished goods.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognized as biological assets held at fair value less cost to sell.

(k) 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 recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses. For details refer to Note 3(h).

(l) Cash deposits

Cash deposits are held for the investment activities. For the purpose of the consolidated statement of cash flows, short-term deposits are included in the investing activities.

(m) Non-current assets classified as held for sale

Non-current assets are classified in the consolidated statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction (including loss of control of a subsidiary holding the assets) within twelve months after the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year; and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets classified as held for sale in the current period's consolidated statement of financial position are not reclassified or re-presented in the comparative consolidated statement of financial position to reflect the classification at the end of the current period.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Liabilities directly associated with the disposal group that will be transferred in the disposal transaction are reclassified and presented separately in the consolidated statement of financial position.

(n) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at 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.

(o) Impairment

Financial assets

The Group measures ECL and recognises net impairment losses on financial assets at each reporting date. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- it is probable that the borrower will enter bankruptcy.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, carried at cost less accumulated depreciation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized 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 recognized in profit and loss. Impairment losses are recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 2 (i)
- Property, plant and equipment — Note 4

Reversal of impairment of non-financial assets

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized 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 recognized in prior periods for an asset other than goodwill may no longer exist or may be decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) 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.

(q) 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.

(r) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies. Currency translation difference is recognised in other comprehensive income.

(s) Loans and borrowings

Loans and borrowings are recognized initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any differences between cost and redemption value being recognized 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 recognized immediately in the income statement.

(t) 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.

(u) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in the statement of other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group's income was subject to taxation in Ukraine, Cyprus, Switzerland and the Netherlands. In 2021, Ukrainian corporate income tax was levied at a rate of 18%. 16 subsidiaries of the Group are subject to CPT in Ukraine for the year ended 31 December 2021 (2020 – 21 subsidiaries).

In 2021, the tax rates in Cyprus and the Netherlands were 12.5% and 25% (2020: 12,5% and 25%), respectively. For Switzerland subsidiary tax rate is 12,5% (2020: 14,6%).

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fixed agricultural tax

In accordance with Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as payers of fixed agricultural tax (FAT), provided that their sales of agricultural goods of their own production accounted for more than 75% of their gross revenues for the preceding year.

Fixed agricultural tax is paid in lieu of corporate income tax, land tax, duties for special use of water objects, municipal tax, vehicle tax, duties for geological survey works and duties for trade patents. The amount of fixed agricultural tax payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer. Fixed agricultural tax is expensed as incurred.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

(v) Accounting for government grants

The Ukrainian legislation provides for a number of different grants and tax benefits for companies involved in agricultural operations. There are grants and benefits established by Verkhovna Rada (the Parliament) as well as by the Ministry of Agrarian Policy, the Ministry of Finance, the State Committee of Water Industry, the customs authorities and local district administrations.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised as income on a systematic basis over the periods that the related costs, which they are intended to compensate, are expensed. To the extent the conditions attached to the grants are not met at the reporting date, the received funds are recorded in the Group’s consolidated financial statements as deferred income.

Government grants related to crop production and cattle farming

According to the Law of Ukraine On Agricultural Support, all agricultural producers that apply for the subsidy must be included in the State Registry of Budget Subsidy Recipients. An agricultural producer is defined as a farm or a company that derived 75 percent of its sales over the last 12 reporting periods (months) from sales of agricultural products.

The list of subsidized agricultural products of the Group includes: sugar beet, milk and meat.

Partial compensation for finance costs and other subsidies

The Group is entitled to receive reimbursement from various government programs for the cost of agricultural machinery manufactured in Ukraine and fertilizers produced in Ukraine. Agricultural producers are required to meet certain conditions to qualify for these subsidies.

Because interest and other subsidies are payable only when the governmental budget allows, they are recognized on a cash basis, and are reflected in other operating income.

(w) Revenue

Revenue is income arising in the course of the Group’s ordinary activities. Revenue from sales of goods is recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer’s acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from contracts with customers is recognised in the amount of transaction price net of discounts, returns and value added taxes, export duties, other similar mandatory payments. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Generally sales are made with a credit term, which is consistent with the market practice and consequently trade receivables are classified as current assets. A receivable is recognised when the goods are delivered or dispatched based on delivery terms as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due (Note 9).

A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Contract liabilities are included in trade and other payables line item as advances from customers (Note 13).

(x) Interest income

For all financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

(y) Expenses

Expenses are accounted for on an accrual basis.

(z) 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 recognized using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group does not apply IAS 23 Borrowing Costs to borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset measured (will be measured) at fair value:

- biological asset within the scope of IAS 41 Agriculture;
- inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.

(aa) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

(bb) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, etc., have been eliminated for the purpose of preparing this statement. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends paid to ordinary shareholders are included in financing activities. Dividends received are classified as investing activities. Interest paid is included in financing activities. Interest received is included in investing activities. Payments on lease liabilities – interest and principal part are included to finance activity.

(cc) Change in presentation

In order to provide users of the consolidated financials statements with more relevant information in respect of cash-related changes in working capital, gain on agricultural produce remeasurement recognised according to IAS 41 Agriculture was excluded from the line «(Increase)/decrease in inventories» in Cash Flow statement and included into separate line – "Disposal of revaluation in agricultural produce in the cost of revenues" with respective changes in total «non-cash adjustments» and «Working capital adjustments".

(dd) New and amended standards and interpretations adopted

The following amended standards became effective from 1 January 2021, but did not have any material impact on the Group:

- Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021).
- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).

(ee) 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 2022:

	Effective for annual period beginning on or after in EU
International Financial Reporting Standards ("IFRS")	
• IFRS 17 Insurance Contracts	not yet endorsed
Amendments to existing standards and interpretations	
• Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022)	1 January 2022
• Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023).	not yet endorsed
• Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).	1 January 2022
• Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).	not yet endorsed
• Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).	not yet endorsed
• Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).	not yet endorsed
• Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).	not yet endorsed

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

4 DISCONTINUED OPERATIONS

In December 2020, management committed to sell ALC "Novoivanivskiy sugar plant", which constitutes a part of the Sugar production segment and ALLC "Lyaschivka", which constitutes a part of the Agriculture segment. As at 31 December 2020, management had also plans to sell LLC "Agrosvit Savyntsi", which constitutes a part of the Agriculture segment.

Mainly, efforts to sell these assets have been started during the financial year 2020 and accordingly, these facilities are presented as disposal groups held for sale as at 31 December 2020.

In February 2021 the Group has transferred control over 100% shares in LLC "Lyaschivka" for consideration of UAH 91,611 thousand or EUR 2,836 thousand. The excess of consideration received over the net assets disposed amounting to UAH 69,785 thousand or EUR 2,161 thousand is recognised in the income statement as a gain on disposal of subsidiaries.

In February 2021 the Group disposed 95% shares in ALC “Novoivanivskiy sugar plant” for consideration received of UAH 28,500 thousand or EUR 882 thousand. The excess of the net assets disposed over consideration received amounting to UAH 3,792 thousand or EUR 118 thousand is recognised in the income statement as a loss on disposal of subsidiaries.

In March 2021 the Group disposed 100% shares in LLC “Agrosvit Savyntsi” for consideration received of UAH 63,845 thousand or EUR 1,977 thousand. The excess of consideration received over the net assets disposed amounting to UAH 52,692 thousand or EUR 1,631 thousand is recognised in the income statement as a gain on disposal of subsidiaries.

In September 2021 the Group disposed 100% shares in LLC “Pochayna-Office” for consideration received of UAH 66,531 thousand or EUR 2,060 thousand. The excess of the net assets disposed over consideration received amounting to UAH 17,434 thousand or EUR 540 thousand is recognised in the income statement as a loss on disposal of subsidiaries.

The carrying amounts of assets and liabilities as at the date of sale were as follows:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC “Lyaschivka”	**ALC “Novoivanivskiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochayna-Office”**	**LLC “Lyaschivka”**	**ALC “Novoivanivskiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochana Office”**
Property, plant and equipment	12 395	27 136	563	66	384	840	17	2
Investment property	-	-	-	97 478	-	-	-	3 018
Right-of-use assets	39 346	13 200	21 465	663	1 218	409	665	21
Deferred tax assets	-	-	-	232	-	-	-	7
Inventories	10 713	2 032	13 525	-	332	63	419	-
Trade accounts receivables	-	1 299	-	-	-	40	-	-
Other accounts receivable and prepayments	108	3 411	589	21 472	3	106	18	665
Cash and cash equivalents	8	1	1	27	-	-	-	1
Total assets	**62 570**	**47 079**	**36 143**	**119 938**	**1 937**	**1 458**	**1 119**	**3 714**
Other long-term liabilities	19	-	-	-	1	-	-	-
Lease liability	31 416	11 278	16 544	550	973	349	512	17
Trade accounts payable	4	-	-	12	-	-	-	-
Current portion of lease liability	9 098	2 553	8 443	116	282	79	261	4
Other liabilities and accounts payable	207	956	3	35 295	6	30	-	1 093
Total liabilities	**40 744**	**14 787**	**24 990**	**35 973**	**1 262**	**458**	**773**	**1 114**
Net assets	**21 826**	**32 292**	**11 153**	**83 965**	**675**	**1 000**	**346**	**2 600**

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC “Lyaschivka”	**ALC “Novoivanivs-kiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochayna-Office”**	**LLC “Lyaschiv-ka”**	**ALC “Novoivanivs-kiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochana Office”**
Consideration received or receivable:								
Cash received	91 611	28 500	63 845	66 531	2 836	882	1 977	2 060
Total disposal consideration	**91 611**	**28 500**	**63 845**	**66 531**	**2 836**	**882**	**1 977**	**2 060**
Carrying amount of net assets sold	21 826	32 292	11 153	83 965	675	1 000	346	2 600
Gain/(loss) on sale of subsidiaries	**69 785**	**(3 792)**	**52 692**	**(17 434)**	**2 161**	**(118)**	**1 631**	**(540)**

The net cash flows generated from the sale of subsidiaries are, as follows:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	LLC “Lyaschivka”	**ALC “Novoivanivs-kiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochayna- Of-fice”**	**LLC “Lyaschivka”**	**ALC “Novoivanivskiy sugar plant”**	**LLC “Agrosvit Savyntsi”**	**LLC “Pochana Office”**
Cash received from sale of the subsidiaries	91 611	28 500	63 845	66 531	2 836	882	1 977	2 060
Cash sold as a part of subsidiaries	(8)	(1)	(1)	(27)	-	-	-	(1)
Net cash inflow from disposal	**91 603**	**28 499**	**63 844**	**66 504**	**2 836**	**882**	**1 977**	**2 059**

As subsidiaries were sold prior to 31 December 2021, the assets and liabilities classified as held for sale are no longer included in the statement of financial position.

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2021:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
ALC “Novoivanivskiy sugar plant”	-	49 493	-	1 425
ALLC “Lyaschivka”	-	63 821	-	1 837
LLC “Agrosvit Savyntsi”	-	44 413	-	1 278
Non-current assets held for sale	**-**	**157 727**	**-**	**4 540**

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
ALC “Novoivanivskiy sugar plant”	-	15 066	-	434
ALLC “Lyaschivka”	-	43 643	-	1 256
LLC “Agrosvit Savyntsi”	-	25 291	-	728
Liabilities classified as held for sale	**-**	**84 000**	**-**	**2 418**

5 PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment in 2021 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost or valuation 1 January 2021	**1 771 515**	**2 553 358**	**4 282 105**	**188 073**	**176 078**	**91 243**	**9 062 372**
Additions	**-**	**-**	**-**	**-**	**-**	**496 872**	**496 872**
Disposals	**(28 656)**	**(17 408)**	**(131 606)**	**(5 201)**	**(4 556)**	**-**	**(187 427)**
Transfer from not installed equipment	**38 789**	**24 277**	**271 236**	**86 353**	**10 591**	**(431 246)**	**-**
31 December 2021	**1 781 648**	**2 560 227**	**4 421 735**	**269 225**	**182 113**	**156 869**	**9 371 817**
Accumulated depreciation 1 January 2021	**221 365**	**296 174**	**1 538 817**	**103 438**	**121 756**	**-**	**2 281 550**
Depreciation charge	**97 642**	**132 889**	**754 381**	**34 549**	**25 275**	**-**	**1 044 736**
Disposals	**(5 003)**	**(5 722)**	**(84 973)**	**(4 355)**	**(3 974)**	**-**	**(104 027)**
31 December 2021	**314 004**	**423 341**	**2 208 225**	**133 632**	**143 057**	**-**	**3 222 259**
Net book value 31 December 2021	**1 467 644**	**2 136 886**	**2 213 510**	**135 593**	**39 056**	**156 869**	**6 149 558**

(in thousands of Euros)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost or valuation 1 January 2021	**50 994**	**73 500**	**123 264**	**5 414**	**5 067**	**2 626**	**260 865**
Additions	**-**	**-**	**-**	**-**	**-**	**15 383**	**15 383**
Disposals	**(887)**	**(539)**	**(4 074)**	**(161)**	**(141)**	**-**	**(5 802)**
Transfer from not installed equipment	**1 201**	**752**	**8 397**	**2 673**	**328**	**(13 351)**	**-**
Currency translation difference	**6 308**	**9 082**	**15 407**	**780**	**635**	**415**	**32 627**
31 December 2021	**57 616**	**82 795**	**142 994**	**8 706**	**5 889**	**5 073**	**303 073**
Accumulated depreciation 1 January 2021	**6 372**	**8 526**	**44 296**	**2 977**	**3 505**	**-**	**65 676**
Depreciation charge	**3 023**	**4 114**	**23 355**	**1 070**	**782**	**-**	**32 344**
Disposals	**(155)**	**(177)**	**(2 631)**	**(135)**	**(123)**	**-**	**(3 221)**
Currency translation difference	**915**	**1 227**	**6 392**	**409**	**462**	**-**	**9 405**
31 December 2021	**10 155**	**13 690**	**71 412**	**4 321**	**4 626**	**-**	**104 204**
Net book value 31 December 2021	**47 461**	**69 105**	**71 582**	**4 385**	**1 263**	**5 073**	**198 869**

The movements of property, plant and equipment in 2020 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost or valuation 1 January 2020	**1 892 856**	**2 588 863**	**4 117 014**	**139 222**	**168 213**	**148 786**	**9 054 954**
Additions	-	-	-	-	-	412 297	412 297
Disposals	(29 306)	(25 183)	(104 239)	(3 023)	(4 256)	-	(166 007)
Impairment	(11 147)	(17 966)	(25 921)	-	-	-	(55 034)
Decrease in revaluation reserve	(73 902)	(12 864)	(32 275)	-	-	-	(119 041)
Elimination of depreciation	(8 892)	(10 729)	(53 720)	-	-	-	(73 341)
Transfer from not installed equipment	26 165	41 773	322 634	49 630	13 619	(453 821)	-
Transfer to non-current assets held for sale	(24 259)	(10 536)	(11 014)	(1 418)	(1 538)	(680)	(49 445)
Transfer to/from lease	-	-	69 626	3 662	40	-	73 328
Transfer to Investment property	-	-	-	-	-	(15 339)	(15 339)
31 December 2020	**1 771 515**	**2 553 358**	**4 282 105**	**188 073**	**176 078**	**91 243**	**9 062 372**
Accumulated depreciation 1 January 2020	**128 765**	**171 880**	**796 613**	**78 786**	**99 149**	**-**	**1 275 193**
Depreciation charge	107 639	145 710	811 426	24 877	27 865	-	1 117 517
Disposals	(4 321)	(9 425)	(33 667)	(2 473)	(3 889)	-	(53 775)
Decrease due to elimination of depreciation	(8 892)	(10 729)	(53 720)	-	-	-	(73 341)
Decrease due to transfer to non-current assets held for sale	(1 826)	(1 262)	(1 105)	(1 094)	(1 409)	-	(6 696)
Change due to transfer to/from lease	-	-	19 270	3 342	40	-	22 652
31 December 2020	**221 365**	**296 174**	**1 538 817**	**103 438**	**121 756**	**-**	**2 281 550**
Net book value 31 December 2020	**1 550 150**	**2 257 184**	**2 743 288**	**84 635**	**54 322**	**91 243**	**6 780 822**

(in thousands of Euros)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Not installed equipment	Total
Cost or valuation 1 January 2020	**71 639**	**97 981**	**155 818**	**5 269**	**6 366**	**5 632**	**342 705**
Additions	-	-	-	-	-	13 386	13 386
Disposals	(951)	(818)	(3 384)	(98)	(138)	-	(5 389)
Impairment	(331)	(533)	(769)	-	-	-	(1 633)
Decrease in revaluation reserve	(3 211)	(559)	(1 403)	-	-	-	(5 173)
Elimination of depreciation	(256)	(309)	(1 546)	-	-	-	(2 111)
Transfer from not installed equipment	849	1 356	10 475	1 611	442	(14 733)	-
Transfer to non-current assets held for sale	(698)	(303)	(317)	(41)	(44)	(20)	(1 423)
Transfer to/from lease	-	-	2 260	119	1	-	2 380
Currency translation difference	(16 047)	(23 315)	(37 870)	(1 446)	(1 560)	(1 141)	(81 379)
Transfer to Investment property	-	-	-	-	-	(498)	(498)
31 December 2020	**50 994**	**73 500**	**123 264**	**5 414**	**5 067**	**2 626**	**260 865**
Accumulated depreciation 1 January 2020	**4 873**	**6 505**	**30 150**	**2 982**	**3 753**	**-**	**48 263**
Depreciation charge	3 495	4 731	26 344	808	905	-	36 283
Disposals	(140)	(306)	(1 093)	(80)	(126)	-	(1 745)
Decrease due to elimination of depreciation	(256)	(309)	(1 546)	-	-	-	(2 111)
Decrease due to transfer to non-current assets held for sale	(53)	(36)	(32)	(31)	(41)	-	(193)
Change due to transfer to/from lease	-	-	626	109	1	-	736
Currency translation difference	(1 547)	(2 059)	(10 153)	(811)	(987)	-	(15 557)
31 December 2020	**6 372**	**8 526**	**44 296**	**2 977**	**3 505**	**-**	**65 676**
Net book value 31 December 2020	**44 622**	**64 974**	**78 968**	**2 437**	**1 562**	**2 626**	**195 189**

Impairment test – Assumptions and their sensitivity

The key assumptions used for impairment testing are: discount rates, selling prices and cost of production. Discount rates were estimated based on weighted average cost of capital and comprised:

- Sugar CGU: 17.4% p.a. for five year period and 12.6% in the terminal period;
- Agricultural CGU: 17.6% p.a. for five year period and 12.8% in the terminal period;
- Soybean processing CGU: 17.4% p.a. for five year period and 12.6% in the terminal period;
- Cattle CGU: 17.6% p.a. for five year period and 12.8% 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 senior management. Potential increase in land, crop yields, number of cows or milk yields is not taken into account. Cost of production was estimated based on budgeted costs for next 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 indexes. When determining selling prices the Group analysed available forecasts for export and domestic markets, including forecasted supply and demand and legislative restrictions on export sales. The following selling prices were used:

- Wheat – UAH 7,082 – UAH 7,656 per ton (EUR 223 - EUR 224)
- Corn – UAH 6,074– UAH 6,545 per ton (EUR 191 - EUR 192)
- Soybeans – UAH 14,426 – UAH 14,753 per ton (EUR 454– EUR 430)
- Soybean oil - UAH 36,367 – UAH 42,606 per ton (EUR 1,143 – EUR 1,242)
- Milk – UAH 12,887 – UAH 15,196 per ton (EUR 405 – EUR 443)
- Sugar – UAH 19,167 – UAH 23,275 per ton (EUR 603 – EUR 680)

For each CGU the identified recoverable determined with value-in-use model amount exceeded its carrying value as at 31 December 2021. The sensitivity analysis disclosed below consider impact reasonably possible changes in key assumptions on carrying value of property, plant and equipment 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 on carrying value of property, plant and equipment of as it is unlikely that changes in assumptions would occur in isolation of one another.

Decrease in carrying value of property, plant and equipment and respective impairment and/or decrease of revaluation reverse:

	(in thousands of Ukrainian hryvnias)				*(in thousands of Euros)*			
	Sugar	***Agriculture***	***Cattle***	***Soybean processing***	***Sugar***	***Agriculture***	***Cattle***	***Soybean processing***
Increase in discount rate by 1%	-	-	56 127	-	-	-	1 815	-
Decrease in price by 10%	-	3 680 095	315 645	212 464	-	119 010	10 208	6 871
Increase in cost by 10%	-	3 680 095	315 645	-	-	119 010	10 208	-

Impairment test conducted as at 31 December 2021 indicated that in the sugar segment recoverable amount is UAH 4,282,530 thousand or EUR 138,492 thousand and exceeds its total carrying amount by UAH 2,887,966 thousand or EUR 93,393 thousand, in the agriculture segment recoverable amount is UAH 4,203,632 thousand or EUR 135,940 thousand and exceeds its total carrying amount by UAH 452,125 thousand or EUR 14,621 thousand, in the cattle segment recoverable amount is UAH 1,232,743 thousand or EUR 39,865 thousand and exceeds its total carrying amount by UAH 53,441 thousand or EUR 1,728 thousand, and the soybean-processing segment recoverable amount is UAH 3,139,475 thousand or EUR 101,527 thousand and exceeds its total carrying amount by UAH 2,556,160 thousand or EUR 82,663 thousand.

Other matters

As at 31 December 2021, the carrying amount 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 is UAH 723,245 thousand or EUR 21,428 thousand (2020: UAH 760,108 thousand or EUR 21,880 thousand), machinery and equipment is UAH 1,859,135 thousand or EUR 53,516 thousand (2020: UAH 2,090,596 thousand or EUR 60,179 thousand) and construction is UAH 1,699,257 thousand or EUR 48,914 thousand (2020: UAH 1,779,820 thousand or EUR 51,233 thousand).

In 2021 revaluation surplus of UAH 404,702 thousand or EUR 18,333 thousand (2020: UAH 450,576 thousand or EUR 20,410 thousand) was reclassified from revaluation reserve to retained earnings because it was realized through depreciation or disposal of the revalued items of property, plant and equipment.

The most recent valuation of the Group's buildings, constructions, machinery and equipment was performed as at 31 December 2018 by an independent appraiser in accordance with International Valuation Standards. Most buildings and some machinery and equipment were valued using the market approach, which is within level 3 of the fair value hierarchy. Other items of buildings, machinery and equipment and constructions were valued using depreciated replacement cost approach, which is within level 3 of the fair value hierarchy.

For carrying values of property, plant and equipment pledged to secure bank loans refer to Note 12.

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

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 2021**	**31 December 2020**
Right-of-use assets		
Land	**3 443 687**	3 061 307
Office premises	**174 510**	194 267
Agriculture equipment	**-**	13 632
Warehouse	**1 526**	2 506
	3 619 723	3 271 712
Lease liabilities		
Non-current	**2 850 501**	2 522 108
Current portion	**1 022 921**	898 493
	3 873 422	3 420 601

(in thousands of Euros)	**31 December 2021**	**31 December 2020**
Right-of-use assets		
Land	**111 366**	88 122
Office premises	**5 643**	5 592
Agriculture equipment	**-**	392
Warehouse	**49**	72
	117 058	94 178
Lease liabilities		
Non-current	**92 182**	72 600
Current portion	**33 080**	25 864
	125 262	98 464

Movements for the right-of-use assets during the 2021 financial year were the following:

(in thousands of Ukrainian hryvnias)	**Right-of-use assets: Land**	**Right-of-use assets: Office premises**	**Right-of-use assets: Agriculture equipment**	**Right-of-use assets: Warehouse**	**Total**
Cost as at 31 December 2020	4 378 511	208 770	13 632	2 976	4 603 889
Accumulated depreciation	(1 317 204)	(14 503)	-	(470)	(1 332 177)
Net book value as at 31 December 2020	**3 061 307**	**194 267**	**13 632**	**2 506**	**3 271 712**
Additions to the right-of-use assets	984 940	1 594	-	962	987 496
Depreciation	(573 638)	(14 772)	-	(1 812)	(590 222)
Other changes	-	(6 579)	-	-	(6 579)
Disposals(1)	(28 922)	-	(13 632)	(130)	(42 684)
Cost of the right-of-use assets	*(159 610)*	*-*	*(13 632)*	*(1 334)*	*(174 576)*
Accumulated depreciation	*130 688*	*-*	*-*	*1 204*	*131 892*
Cost as at 31 December 2021	5 203 841	203 785	-	2 604	5 410 230
Accumulated depreciation	(1 760 154)	(29 275)	-	(1 078)	(1 790 507)
Net book value as at 31 December 2021	**3 443 687**	**174 510**	**-**	**1 526**	**3 619 723**

(in thousands of Euros)	**Right-of-use assets: Land**	**Right-of-use assets: Office premises**	**Right-of-use assets: Agriculture equipment**	**Right-of-use assets: Warehouse**	**Total**
Cost as at 31 December 2020	126 038	6 009	392	86	132 525
Accumulated depreciation	(37 916)	(417)	-	(14)	(38 347)
Net book value as at 31 December 2020	**88 122**	**5 592**	**392**	**72**	**94 178**
Additions to the right-of-use assets	30 493	49	-	30	30 572
Depreciation	(17 729)	(462)	-	(57)	(18 248)
Other changes	-	(204)	-	-	(204)
Currency translation differences	11 376	668	30	8	12 082
Disposals(1)	(896)	-	(422)	(4)	(1 322)
Cost of the right-of-use assets	*(4 942)*	*-*	*(422)*	*(41)*	*(5 405)*
Accumulated depreciation	*4 046*	*-*	*-*	*37*	*4 083*
Cost as at 31 December 2021	168 286	6 590	-	84	174 960
Accumulated depreciation	(56 920)	(947)	-	(35)	(57 902)
Net book value as at 31 December 2021	**111 366**	**5 643**	**-**	**49**	**117 058**

Movements for the right-of-use assets during the 2020 financial year were the following:

(in thousands of Ukrainian hryvnias)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Agriculture equipment	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2019	4 452 345	172 377	94 000	15 046	4 733 768
Accumulated depreciation	(963 927)	(1 930)	(12 841)	(2 213)	(980 911)
Net book value as at 31 December 2019	**3 488 418**	**170 447**	**81 159**	**12 833**	**3 752 857**
Additions to the right-of-use assets	231 984	36 394	4 401	6 722	279 501
Depreciation	(545 881)	(12 442)	(7 990)	(9 981)	(576 294)
Reclassification to non-current assets held for sale	(75 231)	-	-	-	(75 231)
Other changes	(82)	(132)	(5 453)	595	(5 072)
Disposals(1)	(37 901)	-	(58 485)	(7 663)	(104 049)
Cost of the right-of-use assets	*(205 701)*	-	*(79 316)*	*(18 826)*	*(303 843)*
Accumulated depreciation	*167 800*	-	*20 831*	*11 163*	*199 794*
Cost as at 31 December 2020	4 378 511	208 770	13 632	2 976	4 603 889
Accumulated depreciation	(1 317 204)	(14 503)	-	(470)	(1 332 177)
Net book value as at 31 December 2020	**3 061 307**	**194 267**	**13 632**	**2 506**	**3 271 712**

(in thousands of Euros)	Right-of-use assets: Land	Right-of-use assets: Office premises	Right-of-use assets: Agriculture equipment	Right-of-use assets: Warehouse	Total
Cost as at 31 December 2019	168 509	6 524	3 558	569	179 160
Accumulated depreciation	(36 482)	(73)	(486)	(84)	(37 125)
Net book value as at 31 December 2019	**132 027**	**6 451**	**3 072**	**485**	**142 035**
Additions to the right-of-use assets	7 532	1 182	143	218	9 075
Depreciation	(17 740)	(405)	(260)	(324)	(18 729)
Reclassification to non-current assets held for sale	(2 166)	-	-	-	(2 166)
Other changes	(3)	(4)	(177)	19	(165)
Currency translation differences	(30 298)	(1 632)	(487)	(77)	(32 494)
Disposals(1)	(1 230)	-	(1 899)	(249)	(3 378)
Cost of the right-of-use assets	*(6 678)*	-	*(2 575)*	*(611)*	*(9 864)*
Accumulated depreciation	*5 448*	-	*676*	*362*	*6 486*
Cost as at 31 December 2020	126 038	6 009	392	86	132 525
Accumulated depreciation	(37 916)	(417)	-	(14)	(38 347)
Net book value as at 31 December 2020	**88 122**	**5 592**	**392**	**72**	**94 178**

(1) For the year ended 31 December 2021 and 2020 the line item Disposal presented result of cost and accumulated depreciation set off due to expiration or early termination of land lease agreements in 2021 and 2020 respectively.

Movements for the lease liabilities during the 2021 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2020	2 342 535	175 110	3 466	997	2 522 108
Current portion of lease liabilities at 31 December 2020	855 018	35 768	5 680	2 027	898 493
Total liabilities as at 31 December 2020	**3 197 553**	**210 878**	**9 146**	**3 024**	**3 420 601**
Additions to the lease liabilities	918 396	410	-	962	919 768
Interest expense on lease liability	638 306	31 823	1 287	308	671 724
Payment of lease liabilities	(408 940)	(7 285)	(9 146)	(1 782)	(427 153)
Payment of interest on lease liabilities	(638 306)	(31 823)	(1 287)	(308)	(671 724)
Disposals	(44 736)	-	-	(208)	(44 944)
Other changes	-	5 150	-	-	5 150
Non-current lease liabilities at 31 December 2021	2 679 447	170 821	-	233	2 850 501
Current portion of lease liabilities at 31 December 2021	982 826	38 332	-	1 763	1 022 921
Total liabilities as at 31 December 2021	**3 662 273**	**209 153**	**-**	**1 996**	**3 873 422**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2020	67 431	5 040	100	29	72 600
Current portion of lease liabilities at 31 December 2020	24 612	1 030	164	58	25 864
Total liabilities as at 31 December 2020	**92 043**	**6 070**	**264**	**87**	**98 464**
Additions to the lease liabilities	28 432	13	-	30	28 475
Interest expense on lease liability	19 778	986	40	10	20 814
Payment of lease liabilities	(12 643)	(225)	(283)	(55)	(13 206)
Payment of interest on lease liabilities	(19 778)	(986)	(40)	(10)	(20 814)
Disposals	(1 385)	-	-	(6)	(1 391)
Other changes	-	159	-	-	159
Currency translation differences	11 986	747	19	9	12 761
Non-current lease liabilities at 31 December 2021	86 650	5 524	-	8	92 182
Current portion of lease liabilities at 31 December 2021	31 783	1 240	-	57	33 080
Total liabilities as at 31 December 2021	**118 433**	**6 764**	**-**	**65**	**125 262**

Movements for the lease liabilities during the 2020 financial year were the following:

(in thousands of Ukrainian hryvnias)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2019	2 569 703	144 903	12 775	4 422	2 731 803
Current portion of lease liabilities at 31 December 2019	896 230	27 264	18 130	11 503	953 127
Total liabilities as at 31 December 2019	**3 465 933**	**172 167**	**30 905**	**15 925**	**3 684 930**
Additions to the lease liabilities	253 816	36 394	3 585	6 764	300 559
Interest expense on lease liability	631 878	33 734	5 230	2 347	673 189
Payment of lease liabilities	(337 771)	(481)	(25 344)	(12 143)	(375 739)
Payment of interest on lease liabilities	(631 878)	(33 734)	(5 230)	(2 347)	(673 189)
Disposals	(105 555)	-	-	(7 438)	(112 993)
Reclassification to liabilities classified as assets held for sale	(78 627)	-	-	-	(78 627)
Other changes	(243)	2 798	-	(84)	2 471
Non-current lease liabilities at 31 December 2020	2 342 535	175 110	3 466	997	2 522 108
Current portion of lease liabilities at 31 December 2020	855 018	35 768	5 680	2 027	898 493
Total liabilities as at 31 December 2020	**3 197 553**	**210 878**	**9 146**	**3 024**	**3 420 601**

(in thousands of Euro)	Lease liabilities: Land	Lease liabilities: Office premises	Lease liabilities: Agriculture equipment	Lease liabilities: Warehouse	Total
Non-current lease liabilities at 31 December 2019	97 257	5 484	483	167	103 391
Current portion of lease liabilities at 31 December 2019	33 920	1 032	686	435	36 073
Total liabilities as at 31 December 2019	**131 177**	**6 516**	**1 169**	**602**	**139 464**
Additions to the lease liabilities	8 240	1 182	116	220	9 758
Interest expense on lease liability	20 802	1 111	172	77	22 162
Payment of lease liabilities	(10 692)	(15)	(802)	(384)	(11 893)
Payment of interest on lease liabilities	(20 802)	(1 111)	(172)	(77)	(22 162)
Disposals	(3 427)	-	-	(241)	(3 668)
Reclassification to liabilities classified as assets held for sale	(2 263)	-	-	-	(2 263)
Other changes	(8)	91	-	(3)	80
Currency translation differences	(30 984)	(1 704)	(219)	(107)	(33 014)
Non-current lease liabilities at 31 December 2020	67 431	5 040	100	29	72 600
Current portion of lease liabilities at 31 December 2020	24 612	1 030	164	58	25 864
Total liabilities as at 31 December 2020	**92 043**	**6 070**	**264**	**87**	**98 464**

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes	2021 *(in thousands of Ukrainian hryvnias)*	2020 *(in thousands of Ukrainian hryvnias)*	2021 *(in thousands of Euros)*	2020 *(in thousands of Euros)*
Depreciation charge of right-of-use assets					
Land		573 638	545 881	17 729	17 740
Office premises		14 772	12 442	462	405
Agriculture equipment		-	7 990	-	260
Warehouse		1 812	9 981	57	324
		590 222	**576 294**	**18 248**	**18 729**
Interest expense on lease liabilities (cost of disposal included)	*18*	671 724	673 189	20 814	22 162
Expenses relating to short-term leases (included in operating expense)		12 856	16 399	397	533
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		40 165	54 717	1 241	1 778

The total cash outflow for leases for 2021 was UAH 1,098,877 thousand or EUR 34,020 thousand (2020: UAH 1,048,928 thousand or EUR 34,055 thousand) and are classified as finance activities in the consolidated statement of cash flows, including cash outflow for land lease in amount of UAH 1,047,246 thousand or EUR 32,421 thousand (2020: UAH 969,649 thousand or EUR 31,494 thousand) and are classified as finance activities in the consolidated statement of cash flows.

(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 intentions to extend the lease. Lease payment associated with short-term lease are recognized as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants and leased assets may not be used as security for borrowing purposes.

7 BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of nine months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

The following inputs and assumptions were made to determine the fair value of biological assets:

- revenue from the crops sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle 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 resources as at the end of the reporting period
- production and costs to sell are projected based on actual operating costs

- the 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 in Ukraine
- a pre-tax discount rate is applied in determining fair value of biological assets. The discount rate is based on the market rate 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 (18.0%) (2020: 16.1%)
- Yields of crops on average (5.8 tonnes per hectare for winter wheat, 3.1 tons per hectare for rapeseeds) (2020: 5.6 tonnes per hectare for winter wheat, 3.0 tons per hectare for rapeseeds)
- Prices of crops (UAH 7,084 per tonne for winter wheat, UAH 17,169 per ton for rapeseeds) (2020: UAH 4,788 per tonne for winter wheat, UAH 11,900 per ton for rapeseeds)

The significant inputs used in the fair value measurement of the cattle are as follows:

- Discount rate (17.3%) (2020: 18%)
- Milk prices (UAH 13.00 per litre) (2020: UAH 10.76 per litre)
- Meat prices (UAH 42.08 per kilogram) (2020 UAH 29.98 per kilogram)
- Milk yield per day (22.63 litres per day) (2020: 21.54 litres per day)

Significant increases or decreases in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. An increase in discount rate leads to a decrease in fair value, whereas increase in prices and yields leads to increase in fair values.

As at 31 December biological assets comprise the following groups:

	31 December 2021		31 December 2020	
(in thousands of Ukrainian hryvnias)	**Units**	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**22 494**	**856 529**	21 966	830 718
Other livestock		**129**		175
		856 658		830 893
Current biological assets				
Crops:	**Hectares**		**Hectares**	
Winter wheat	**55 456**	**1 085 621**	46 530	620 770
Rapeseeds	**7 493**	**195 739**	7 244	124 452
	62 949	**1 281 360**	53 774	745 222
Total biological assets		**2 138 018**		1 576 115

	31 December 2021		31 December 2020	
(in thousands of Euros)	**Units**	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**22 494**	**27 699**	21 966	23 912
Other livestock		**4**		5
		27 703		23 917
Current biological assets				
Crops:	**Hectares**		**Hectares**	
Winter wheat	**55 456**	**35 108**	46 530	17 869
Rapeseeds	**7 493**	**6 330**	7 244	3 583
	62 949	**41 438**	53 774	21 452
Total biological assets		**69 141**		45 369

The information about the output of agricultural products during the period, natural losses were not deducted:

(in tonns)	**2021**	**2020**
Sugar beet	**1 584 133**	1 483 366
Corn	**507 952**	417 659
Winter wheat	**268 280**	230 039
Milk	**96 656**	92 579
Sunflower	**76 210**	89 396
Soy	**94 492**	62 780
Rapeseeds	**23 413**	3 647
Barley	**2 131**	5 713

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 2020	792 939	425 624	1 218 563
Investments into livestock and future crops	168 092	3 400 395	3 568 487
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	41 956	1 622 298	1 664 254
Sales	(172 094)	-	(172 094)
Decrease due to harvest	-	(4 703 095)	(4 703 095)
As at 31 December 2020	**830 893**	**745 222**	**1 576 115**
Investments into livestock and future crops	**71 940**	**3 897 340**	**3 969 280**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(46 175)**	**4 701 682**	**4 655 507**
Decrease due to harvest	**-**	**(8 062 884)**	**(8 062 884)**
As at 31 December 2021	**856 658**	**1 281 360**	**2 138 018**

(in thousands of Euros)	**Non-current livestock**	**Crops**	**Total**
As at 1 January 2020	30 011	16 109	46 120
Investments into livestock and future crops	5 396	109 154	114 550
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	1 363	52 721	54 084
Sales	(5 524)	-	(5 524)
Decrease due to harvest	-	(150 972)	(150 972)
Currency translation difference	(7 329)	(5 560)	(12 889)
As at 31 December 2020	**23 917**	**21 452**	**45 369**
Investments into livestock and future crops	**2 266**	**122 750**	**125 016**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(1 427)**	**145 262**	**143 835**
Decrease due to harvest	**-**	**(249 108)**	**(249 108)**
Currency translation difference	**2 947**	**1 082**	**4 029**
As at 31 December 2021	**27 703**	**41 438**	**69 141**

Changes in key assumptions used to estimate biological assets fair value would have the following effect on the fair value biological assets and on earnings per share:

	2021			
	Biological assets		*Earnings per share*	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*	*(Ukrainian hryvnias)*	*(Euros)*
10% increase in price for milk	**297 949**	**9 635**	**12,3**	**0,40**
10% decrease in prices for milk	**(297 949)**	**(9 635)**	**(12,3)**	**(0,40)**
10% increase in price for meat	**21 467**	**694**	**0,9**	**0,03**
10% decrease in price for meat	**(21 467)**	**(694)**	**(0,9)**	**(0,03)**
10% increase in milk yield	**64 187**	**2 076**	**2,6**	**0,09**
10% decrease in milk yield	**(64 187)**	**(2 076)**	**(2,6)**	**(0,09)**
10% increase in prices for crops	**233 818**	**7 561**	**9,6**	**0,31**
10% decrease in prices for crops	**(233 818)**	**(7 561)**	**(9,6)**	**(0,31)**
10% increase in yield for crops	**233 818**	**7 561**	**9,6**	**0,31**
10% decrease in yield for crops	**(233 818)**	**(7 561)**	**(9,6)**	**(0,31)**
10% increase in production costs until harvest	**(102 875)**	**(3 327)**	**(4,2)**	**(0,14)**
10% decrease in production costs until harvest	**102 875**	**3 327**	**4,2**	**0,14**
5% increase in annual consumer price index	**412 630**	**13 344**	**17,0**	**0,55**
5% decrease in annual consumer price index	**(370 145)**	**(11 970)**	**(15,2)**	**(0,49)**
1% increase in discount rate	**(28 246)**	**(913)**	**(1,2)**	**(0,04)**
1% decrease in discount rate	**28 919**	**935**	**1,2**	**0,04**

	2020			
	Biological assets		*Earnings per share*	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*	*(Ukrainian hryvnias)*	*(Euros)*
10% increase in price for milk	**220 885**	**6 358**	**9,1**	**0,26**
10% decrease in prices for milk	**(220 885)**	**(6 358)**	**(9,1)**	**(0,26)**
10% increase in price for meat	**16 861**	**485**	**0,7**	**0,02**
10% decrease in price for meat	**(16 861)**	**(485)**	**(0,7)**	**(0,02)**
10% increase in milk yield	**65 795**	**1 894**	**2,7**	**0,08**
10% decrease in milk yield	**(65 795)**	**(1 894)**	**(2,7)**	**(0,08)**
10% increase in prices for crops	**129 542**	**3 729**	**5,3**	**0,15**
10% decrease in prices for crops	**(129 542)**	**(3 729)**	**(5,3)**	**(0,15)**
10% increase in yield for crops	**129 542**	**3 729**	**5,3**	**0,15**
10% decrease in yield for crops	**(129 542)**	**(3 729)**	**(5,3)**	**(0,15)**
10% increase in production costs until harvest	**(58 419)**	**(1 682)**	**(2,4)**	**(0,07)**
10% decrease in production costs until harvest	**58 419**	**1 682**	**2,4**	**0,07**
5% increase in annual consumer price index	**261 375**	**7 524**	**10,8**	**0,31**
5% decrease in annual consumer price index	**(237 949)**	**(6 849)**	**(9,8)**	**(0,31)**
1% increase in discount rate	**(21 320)**	**(614)**	**(0,9)**	**(0,03)**
1% decrease in discount rate	**21 715**	**625**	**0,9**	**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 financial risk management regarding biological assets refer to section Material risk factors and threats to the Group of the Directors' report.

8 INVENTORIES

Inventories as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
Finished goods:				
Agricultural produce	**2 628 077**	1 064 968	**84 989**	30 656
Sugar products	**2 356 632**	1 255 243	**76 211**	36 133
Soybean processing	**291 556**	251 890	**9 429**	7 251
Cattle farming	**1 266**	1 191	**41**	34
	5 277 531	2 573 292	**170 670**	74 074
Raw materials and consumables for:				
Agricultural produce	**484 225**	139 070	**15 659**	4 003
Cattle farming	**180 185**	183 663	**5 827**	5 287
Consumables for joint utilization	**34 546**	38 017	**1 117**	1 094
Sugar production	**32 393**	38 670	**1 048**	1 113
Other production	**20 618**	12 831	**666**	368
	751 967	412 251	**24 317**	11 865
Investments into future crops	**991 177**	748 404	**32 053**	21 543
	7 020 675	3 733 947	**227 040**	107 482

For carrying value of inventories pledged to secure bank loans refer to Note 12.

9 TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable, and prepayments as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Long-term receivables and prepayments				
Advances to suppliers	**6 112**	6 395	**198**	184
Other long-term receivables	**16 751**	115	**541**	3
	22 863	6 510	**739**	187
Current accounts receivable and prepayments				
Trade receivables	**700 511**	518 139	**22 654**	14 915
Less credit loss allowance	**(37 437)**	(51 626)	**(1 211)**	(1 486)
	663 074	466 513	**21 443**	13 429
Prepayments and other non-financial assets:				
VAT recoverable and prepaid	**1 046 003**	705 500	**33 826**	20 308
Advances to suppliers	**361 442**	192 975	**11 689**	5 555
Less allowance	**(92 481)**	(94 655)	**(2 991)**	(2 725)
	1 314 964	803 820	**42 524**	23 138
Other financial assets:				
Government bonds	**20 427**	43 488	**661**	1 252
Other receivables	**11 186**	10 265	**362**	296
Less credit loss allowance	**(2 340)**	(3 794)	**(76)**	(109)
	29 273	49 959	**947**	1 439
	1 344 237	853 779	**43 471**	24 577
	2 007 311	1 320 292	**64 914**	38 006

During the year ended 31 December 2021 the Group received VAT budget refund in cash amounting to UAH 354,818 thousand or EUR 10,985 thousand (2020: UAH 680,644 thousand or EUR 22,098 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)*	
	2021	**2020**	**2021**	**2020**
Balance as at 1 January	**55 420**	72 992	**1 595**	2 762
Charge in income statement	**13 076**	(13 632)	**411**	(438)
Amounts written off	**(28 719)**	(3 919)	**(889)**	(127)
Reclassification to non-current assets held for sale	**-**	(21)	**-**	(1)
Currency translation difference	**-**	-	**170**	(601)
Balance as at 31 December	**39 777**	55 420	**1 287**	1 595

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)*	
	2 021	**2 020**	**2 021**	**2 020**
Balance as at 1 January	**94 655**	65 695	**2 725**	2 486
Charge in income statement	**(2 090)**	37 359	**(66)**	1 200
Amounts written off	**(84)**	(3 609)	**(3)**	(117)
Reclassification to non-current assets held for sale	**-**	(4 790)	**-**	(155)
Currency translation difference	**-**	-	**335**	(689)
Balance as at 31 December	**92 481**	94 655	**2 991**	2 725

The ageing of trade receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	**Gross 2021**	**Lifetime ECL 2021**	**Gross 2020**	**Lifetime ECL 2020**
Not past due	**625 621**	**(8 450)**	352 771	(4 308)
Past due 1-30 days	**43 467**	**(510)**	113 331	(1 135)
Past due 31-120 days	**2 593**	**(76)**	5 721	(118)
Past due 121-365 days	**10 293**	**(9 864)**	1 316	(1 065)
More than one year	**18 537**	**(18 537)**	45 000	(45 000)
	700 511	**(37 437)**	518 139	(51 626)

(in thousands of Euros)	**Gross 2021**	**Lifetime ECL 2021**	**Gross 2020**	**Lifetime ECL 2020**
Not past due	**20 232**	**(274)**	10 155	(124)
Past due 1-30 days	**1 406**	**(16)**	3 262	(33)
Past due 31-120 days	**84**	**(2)**	165	(3)
Past due 121-365 days	**333**	**(320)**	38	(31)
More than one year	**599**	**(599)**	1 295	(1 295)
	22 654	**(1 211)**	14 915	(1 486)

Trade receivables that are past due relate to customers with no recent history of significant indebtness or default and hence management believes collection is probable.

The ageing of other receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	**Gross 2021**	**Lifetime ECL 2021**	**Gross 2020**	**Lifetime ECL 2020**
Not past due	**8 159**	**(30)**	5 762	(54)
Past due 1-30 days	**134**	**(1)**	21	-
Past due 31-120 days	**533**	**(5)**	205	(17)
Past due 121-365 days	**59**	**(3)**	572	(18)
More than one year	**2 301**	**(2 301)**	3 705	(3 705)
	11 186	**(2 340)**	10 265	(3 794)

(in thousands of Euros)	**Gross 2021**	**Lifetime ECL 2021**	**Gross 2020**	**Lifetime ECL 2020**
Not past due	**264**	**(1)**	166	(1)
Past due 1-30 days	**4**	**-**	1	-
Past due 31-120 days	**17**	**-**	6	-
Past due 121-365 days	**2**	**-**	16	(1)
More than one year	**75**	**(75)**	107	(107)
	362	**(76)**	296	(109)

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Cash in banks in UAH	**218 259**	**371 645**	**7 060**	**10 698**
Cash in banks in USD	**125 591**	**397 770**	**4 061**	**11 450**
Cash in banks in PLN	**2 915**	**3 746**	**94**	**108**
Cash in banks in EUR	**392**	**1 196**	**13**	**34**
Cash in banks in CHF	**139**	**176**	**4**	**5**
Total cash in banks	**347 296**	**774 533**	**11 232**	**22 295**
Cash in transit in USD	**8 849**	**-**	**286**	**-**
Cash on hand in UAH	**724**	**298**	**23**	**9**
Total cash and equivalents	**356 869**	**774 831**	**11 541**	**22 304**

As at 31 December 2021 and 31 December 2020, cash and cash equivalents consisted of current accounts in banks and overnight deposits. As at 31 December 2021 weighted average interest of current accounts and overnight deposits denominated in USD is 0.0% p.a., in UAH – up to 5.2% p.a.

The identified impairment loss arising on short-term cash deposits and cash and cash equivalents was immaterial as at 31 December 2021 and 31 December 2020.

11 EQUITY

Share capital

Astarta Holding N.V. 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 2021 is 30,000 thousand (2020: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2020: 25,000 thousand).

Shareholders structure as at 31 December is as follows:

	2021	2020
Astarta Holding N.V.		
Ivanchyk family	**40,00%**	39,57%
Fairfax Financial Holdings LTD and its subsidiaries	**29,91%**	29,91%
Other shareholders	**30,09%**	30,52%
	100,00%	100,00%

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)*	
	2021	2020	2021	2020
Net profit attributable to equity holders of the company	**3 998 537**	266 398	**122 491**	8 611
Weighted average basic and diluted shares outstanding (in thousands of shares)	**24 298**	24 310	**24 298**	24 310
Earnings per share attributable to shareholders of the company	**164,56**	10.96	**5,04**	0.35

On 28 May 2021, the annual general meeting of shareholders approved an annual dividend of EUR 0.5 per share, which were paid in full in the amount of EUR 12,155 thousand in June 2021.

Capital risk management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors seeks to maintain a balances 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 others in the industry, 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 2021, the gearing ratio was 24% compared to 28% a year before. The decrease in gearing ratio is attributable to decrease in net debt. The gearing ratios at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	2020	2021	2020
Total borrowings (note 12)	**5 063 460**	5 264 795	**163 747**	151 550
Less cash, cash equivalents and short-term deposits	**(363 747)**	(779 817)	**(11 763)**	(22 448)
Net debt	**4 699 713**	4 484 978	**151 984**	129 102
Total equity	**15 311 108**	11 718 655	**495 142**	337 326
Total capital	**20 010 821**	16 203 633	**647 126**	466 428
Gearing ratio	**23%**	28%	**23%**	28%

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 Dutch law. In addition, payment of future dividends may be made only 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 2021, the Group had 750,000 of treasury shares with total cost of UAH 137,875 thousand (EUR 6,103 thousand) (2020: 689,898 of treasury shares with total cost of UAH 119,260 thousand (EUR 5,527 thousand).

12 LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to Note 22 for more information on exposure to interest rate, foreign currency risk and information on financial risk management. Loans and borrowings as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Long-term loans and borrowings:				
Bank loans	**648 778**	1 230 697	**20 981**	35 426
Transaction costs	**(3 888)**	(12 084)	**(126)**	(348)
	644 890	1 218 613	**20 855**	35 078
Current portion of long-term loans and borrowings:				
Bank loans	**206 722**	535 026	**6 685**	15 401
Borrowings from non-financial institutions	**95 413**	98 937	**3 086**	2 848
Transaction costs	**(2 507)**	(8 382)	**(81)**	(241)
	299 628	625 581	**9 690**	18 008
Short-term loans and borrowings:				
Bank loans	**245 520**	-	**7 940**	-
Transaction costs	**-**	-	**-**	-
	245 520	-	**7 940**	-
	1 190 038	1 844 194	**38 485**	53 086

The following table summarises borrowings as of 31 December:

Currency	WAIR1	*(in thousands of Ukrainian hryvnias)* 2021	*(in thousands of Euros)* 2021
Short-term loans and borrowings and on demand:			
USD	2,73%	245 504	7 939
Interest payable		16	1
Total short-term loans and borrowings		245 520	7 940
Long-term loans and current portion of long-term loans and borrowings:			
USD	4,55%	944 205	30 534
Interest payable		6 708	218
Transaction costs		(6 395)	(207)
Total long-term loans and borrowings		944 518	30 545
Total loans and borrowings		1 190 038	38 485

Currency	WAIR[1]	*(in thousands of Ukrainian hryvnias)* 2020	*(in thousands of Euros)* 2020
Long-term loans and current portion of long-term loans and borrowings:			
USD	6,56%	1 839 452	52 949
Interest payable		25 208	726
Transaction costs		(20 466)	(589)
Total long-term loans and borrowings		1 844 194	53 086
Total loans and borrowings		1 844 194	53 086

[1] *WAIR represents the weighted average interest rate on outstanding borrowings.*

As of 31 December the Group's total bank borrowings are repayable as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Total current portion repayable in one year or on demand	**452 242**	535 026	**14 625**	15 401
Transaction costs	**(2 507)**	(8 382)	**(81)**	(241)
Borrowings from non-financial institutions	**95 413**	98 937	**3 086**	2 848
	545 148	625 581	**17 630**	18 008
Due in the second year	**205 328**	369 027	**6 641**	10 623
Transaction costs	**(1 922)**	(5 617)	**(62)**	(162)
	203 406	363 410	**6 579**	10 461
Due thereafter	**443 449**	861 670	**14 340**	24 803
Transaction costs	**(1 965)**	(6 467)	**(64)**	(186)
	441 484	855 203	**14 276**	24 617
	1 190 038	1 844 194	**38 485**	53 086

As at 31 December 2021, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 95,413 thousand (2020: UAH 98,937 thousand) or EUR 3 million (2020: EUR 3 million) bearing an interest of 4,0% p.a.

Reconciliation of movements of liabilities 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 2020	**1 745 257**	**98 937**	**1 844 194**
Changes from financing cash flows			
Proceeds from loans and borrowings	2 649 200	-	**2 649 200**
Repayment of loans and borrowings	(3 234 986)	-	**(3 234 986)**
Interest paid	(97 809)	(4 255)	**(102 064)**
Total changes from financing cash flows	**(683 595)**	**(4 255)**	**(687 850)**
The effect of changes in foreign exchange rates	**(60 945)**	**(3 468)**	**(64 413)**
Other changes related to liability			
Interest expense	93 908	4 199	**98 107**
Total liability-related other changes	**93 908**	**4 199**	**98 107**
Balance as at 31 December 2021	**1 094 625**	**95 413**	**1 190 038**

(in thousands of Euros)	**Bank loans**	**Borrowings from non-financial institutions**	**Total**
Balance as at 31 December 2020	**50 238**	**2 848**	**53 086**
Changes from financing cash flows			
Proceeds from loans and borrowings	82 016	-	**82 016**
Repayment of loans and borrowings	(100 151)	-	**(100 151)**
Interest paid	(3 028)	(132)	**(3 160)**
Total changes from financing cash flows	**(21 163)**	**(132)**	**(21 295)**
The effect of changes in foreign exchange rates	**(1 750)**	**(100)**	**(1 850)**
Other changes related to liability			
Interest expense	2 849	127	**2 976**
Total liability-related other changes	**2 849**	**127**	**2 976**
Currency translation differences	5 225	343	**5 568**
Balance as at 31 December 2021	**35 399**	**3 086**	**38 485**

(in thousands of Ukrainian hryvnias)	**Bank loans**	**Borrowings from non-financial institutions**	**Total**
Balance as at 31 December 2019	**3 905 325**	**42 161**	**3 947 486**
Changes from financing cash flows			
Proceeds from loans and borrowings	2 467 615	49 483	**2 517 098**
Repayment of loans and borrowings	(5 210 548)	(8 112)	**(5 218 660)**
Interest paid	(252 045)	(3 363)	**(255 408)**
Total changes from financing cash flows	**(2 994 978)**	**38 008**	**(2 956 970)**
The effect of changes in foreign exchange rates	**604 115**	**14 788**	**618 903**
Other changes related to liability			
Interest expense	230 795	3 980	**234 775**
Total liability-related other changes	**230 795**	**3 980**	**234 775**
Balance as at 31 December 2020	**1 745 257**	**98 937**	**1 844 194**

(in thousands of Euros)	**Bank loans**	**Borrowings from non-financial institutions**	**Total**
Balance as at 31 December 2019	**147 806**	**1 596**	**149 402**
Changes from financing cash flows			
Proceeds from loans and borrowings	80 113	1 607	**81 720**
Repayment of loans and borrowings	(169 167)	(263)	**(169 430)**
Interest paid	(8 183)	(109)	**(8 292)**
Total changes from financing cash flows	**(97 237)**	**1 235**	**(96 002)**
The effect of changes in foreign exchange rates	**19 613**	**480**	**20 093**
Other changes related to liability			
Interest expense	7 434	128	**7 562**
Total liability-related other changes	**7 434**	**128**	**7 562**
Currency translation differences	(27 378)	(591)	**(27 969)**
Balance as at 31 December 2021	**50 238**	**2 848**	**53 086**

Bank loans are secured as follows:

(in thousands of Ukrainian hryvnias)	*(in thousands of Ukrainian hryvnias)* 2021	2020	*(in thousands of Euros)* 2021	2020
Property, plant and equipment (Note 5)	**1 161 873**	3 151 109	**37 574**	90 707
Inventories (Note 8)	**435 086**	546 344	**14 070**	15 727
	1 596 959	3 697 453	**51 644**	106 434

13 OTHER LIABILITIES AND ACCOUNTS PAYABLE

	(in thousands of Ukrainian hryvnias) 2021	2020	*(in thousands of Euros)* 2021	2020
Other liabilities:				
Advances received from customers	**122 755**	80 704	**3 970**	2 323
VAT payable	**74 523**	42 955	**2 410**	1 236
	197 278	123 659	**6 380**	3 559
Other accounts payable:				
Provision for annual bonuses	**156 244**	-	**5 051**	-
Accrual for unused vacations	**69 517**	64 736	**2 248**	1 863
Other taxes and charges payable	**39 441**	33 204	**1 275**	956
Salaries payable	**27 554**	19 463	**891**	560
Social insurance payable	**5 959**	4 190	**193**	121
Accounts payable for property, plant and equipment	**2 586**	15 961	**84**	459
Other payables	**22 699**	53 830	**735**	1 551
	324 000	191 384	**10 477**	5 510
	521 278	315 043	**16 857**	9 069

14 REVENUES

Revenues for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias) 2021	2020	*(in thousands of Euros)* 2021	2020
Sugar production	**5 414 370**	3 949 165	**170 197**	126 973
Crops	**5 886 830**	5 447 162	**185 049**	175 137
Soybean processing products	**2 857 199**	2 337 570	**89 814**	75 157
Cattle farming	**1 223 959**	1 031 557	**38 474**	33 167
Other sales	**248 818**	161 610	**7 821**	5 196
	15 631 176	12 927 064	**491 355**	415 630

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. In 2021, 56% of revenue is generated from sales to customers in Ukraine (2020: 50%).

15 COST OF REVENUES

Cost of revenues for the years ended 31 December by product is as follows:

	(in thousands of Ukrainian hryvnias) 2021	2020	*(in thousands of Euros)* 2021	2020
Sugar production	**3 927 841**	3 075 602	**123 711**	98 728
Crops	**5 636 672**	4 853 108	**177 531**	155 787
Soybean processing products	**2 615 543**	1 995 615	**82 379**	64 060
Cattle farming	**848 402**	779 261	**26 721**	25 015
Other sales	**178 298**	143 050	**5 616**	4 592
	13 206 756	10 846 636	**415 958**	348 182

The Group's costs include, inter alia, the following expenses:

	(in thousands of Ukrainian hryvnias) 2021	2020	*(in thousands of Euros)* 2021	2020
Raw materials	**7 001 066**	6 210 562	**220 505**	199 362
Depreciation and amortization costs	**1 492 418**	1 558 232	**47 005**	50 020
Employee benefits expenses	**913 381**	1 030 828	**28 768**	33 090
Gain from agriculture produce remeasurement	**2 785 993**	1 349 313	**87 747**	43 314

16 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Salary and related charges	**724 258**	440 425	**22 630**	14 336
Professional services	**91 248**	89 168	**2 851**	2 902
Depreciation	**89 543**	73 298	**2 798**	2 386
Fuel and other materials	**15 087**	15 213	**471**	495
Taxes other than corporate income tax	**12 994**	10 984	**406**	358
Insurance	**8 270**	7 819	**258**	255
Other	**42 443**	63 397	**1 327**	2 063
	983 843	700 304	**30 741**	22 795

17 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Transportation	**498 540**	518 424	**15 795**	16 828
Storage and logistics	**283 415**	248 117	**8 979**	8 054
Salary and related charges	**126 246**	96 592	**4 000**	3 135
Fuel and other materials	**25 902**	22 147	**821**	719
Depreciation	**23 049**	22 309	**730**	724
Professional services	**6 660**	18 702	**211**	607
Other	**29 661**	25 181	**939**	817
	993 473	951 472	**31 475**	30 884

18 OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Other salary and related charges	**63 858**	24 682	**2 005**	793
Depreciation	**54 812**	55 949	**1 721**	1 797
Penalties paid	**53 498**	128 389	**1 680**	4 123
Loss on disposal of property, plant and equipment	**43 018**	27 257	**1 351**	875
VAT written off	**40 647**	18 821	**1 276**	604
Charity and social expenses	**35 168**	53 670	**1 104**	1 723
Allowance for other accounts receivable	**10 986**	23 727	**345**	762
Other	**21 479**	26 960	**673**	865
	323 466	359 455	**10 155**	11 542

19 FINANCE COSTS AND INCOME

Finance (costs) income for the years ended 31 December is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Finance costs				
Interest expense				
Bank loans	**(93 908)**	(230 795)	**(2 849)**	(7 434)
Borrowings from non-financial institutions	**(4 199)**	(3 980)	**(127)**	(128)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**11 594**	362	**352**	12
Interest expense on lease liability	**(671 724)**	(673 189)	**(20 814)**	(22 162)
Other finance costs	**(54 888)**	(99 854)	**(1 666)**	(3 217)
Total finance costs	**(813 125)**	(1 007 456)	**(25 104)**	(32 929)
Finance income				
Interest income	**9 490**	7 227	**288**	233
Other finance income	**2 643**	3 527	**80**	113
Total finance income	**12 133**	10 754	**368**	346

20 INCOME TAX EXPENSE

In 2021, 11 subsidiaries elected to pay FAT in lieu of other taxes (2020: 11 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2020:18%), 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 2021 the Group has not recognized deferred tax asset of UAH 75,285 thousand or EUR 2,435 thousand (2020: UAH 173,046 thousand or EUR 4,981 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.

As at 31 December 2021 the Group did not recognize deferred tax asset relating to tax losses of UAH 364,313 thousand or EUR 11,781 thousand and in 2020 UAH 200,447 thousand or EUR 5,770 thousand originated at Astarta Holding N.V. since realization of this asset is uncertain. In 2021 cumulative carried forward tax losses in amount UAH 35,156 thousand or EUR 1,137 thousand are expired for utilization (2020: UAH 32,268 thousand or EUR 929 thousand).

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Current tax expenses	**(250 457)**	(63 623)	**(7 873)**	(2 065)
Deferred tax benefit	**50 624**	45 190	**1 591**	1 467
	(199 833)	(18 433)	**(6 282)**	(598)

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Profit before tax	**4 198 370**	284 831	**128 773**	9 209
including:				
Profit attributable to companies not subject to income tax	**3 488 605**	616 281	**106 461**	19 970
Profit attributable to companies subject to income tax	**709 765**	(331 450)	**22 312**	(10 761)
Profit before tax	**709 765**	(331 450)	**22 312**	(10 761)
Income tax benefit/(expense) at statutory rate of 18%	**(127 758)**	59 661	**(4 016)**	1 937
Effects of different tax rates in other countries	**(3 464)**	20 942	**(109)**	680
Non-taxable income/(expense)	**(83 224)**	(61 255)	**(2 616)**	(1 989)
Previously unrecognised tax loss that is used to reduce tax expense	**50 138**	31 334	**1 576**	1 017
Unrecognised tax loss of current year	**(35 525)**	(63 304)	**(1 117)**	(2 055)
Derecognition of deferred tax asset due to changes in status of subsidiary	**-**	(5 811)	**-**	(188)
Income tax benefit/(expense)	**(199 833)**	(18 433)	**(6 282)**	(598)

Movements in temporary differences during the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31 December 2020	Recognized in OCI	Derecognition due to disposal	Recognized in income statement	As at 31 December 2021
Deferred tax assets					
Property, plant and equipment - CIP	13 333	-	(166)	3 874	17 041
Inventories	2 119	-	-	(462)	1 657
Trade and other accounts receivable and prepayments	10 010	-	-	732	10 742
Offset of deferred tax assets and deferred tax liabilities	(17 730)	-	-	(4 781)	(22 511)
Total deferred tax assets	7 732	-	(166)	(637)	6 929
Deferred tax liabilities					
Property, plant and equipment	(195 225)	656	(67)	46 482	(148 154)
Offset of deferred tax assets and deferred tax liabilities	17 730	-	-	4 780	22 510
Total deferred tax liabilities	(177 495)	656	(67)	51 262	(125 644)

(in thousands of Euros)	As at 31 December 2020	Recognized in OCI	Derecognition due to disposal	Recognized in income statement	Currency translation difference	As at 31 December 2021
Deferred tax assets						
Property, plant and equipment - CIP	384	-	(5)	122	50	551
Inventories	61	-	-	(15)	8	54
Trade and other accounts receivable and prepayments	288	-	-	23	36	347
Offset of deferred tax assets and deferred tax liabilities	(510)	-	-	(150)	(68)	(728)
Total deferred tax assets	223	-	(5)	(20)	26	224
Deferred tax liabilities						
Property, plant and equipment	(5 620)	21	(2)	1 461	(651)	(4 791)
Offset of deferred tax assets and deferred tax liabilities	511	-	-	150	67	728
Total deferred tax liabilities	(5 109)	21	(2)	1 611	(584)	(4 063)

(in thousands of Ukrainian hryvnias)	As at 31 December 2019	Recognized in OCI	Recognized in income statement	As at 31 December 2020
Deferred tax assets				
Property, plant and equipment - CIP	**9 499**	-	**3 834**	13 333
Inventories	**6 749**	-	**(4 630)**	2 119
Trade and other accounts receivable and prepayments	**30 083**	-	**(20 073)**	10 010
Offset of deferred tax assets and deferred tax liabilities	**(21 236)**	-	**3 506**	**(17 730)**
Total deferred tax assets	**25 095**	-	**(17 363)**	**7 732**
Deferred tax liabilities				
Property, plant and equipment	**(273 098)**	**19 743**	**58 130**	**(195 225)**
Intangible assets	**(945)**	-	**945**	**0**
Loans and borrowings	**(6 409)**	-	**6 409**	-
Trade and other accounts payable	**(575)**	-	**575**	-
Offset of deferred tax assets and deferred tax liabilities	**21 236**	-	**(3 506)**	**17 730**
Total deferred tax liabilities	**(259 791)**	**19 743**	**62 553**	**(177 495)**

(in thousands of Euros)	As at 31 December 2019	Recognized in OCI	Recognized in income statement	Currency translation difference	As at 31 December 2020
Deferred tax assets					
Property, plant and equipment - CIP	**359**	-	**124**	**(99)**	**384**
Inventories	**255**	-	**(150)**	**(44)**	**61**
Trade and other accounts receivable and prepayments	**1 139**	-	**(652)**	**(199)**	**288**
Offset of deferred tax assets and deferred tax liabilities	**(803)**	-	**114**	**179**	**(510)**
Total deferred tax assets	**950**	-	**(564)**	**(163)**	**223**
Deferred tax liabilities					
Property, plant and equipment	**(10 334)**	**641**	**1 887**	**2 186**	**(5 620)**
Intangible assets	**(36)**	-	**31**	**5**	-
Loans and borrowings	**(243)**	-	**208**	**35**	-
Trade and other accounts payable	**(22)**	-	**19**	**3**	-
Offset of deferred tax assets and deferred tax liabilities	**803**	-	**(114)**	**(178)**	**511**
Total deferred tax liabilities	**(9 832)**	**641**	**2 031**	**2 051**	**(5 109)**

21 SEGMENT REPORTING

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

At 31 December 2021 and 2020, the group is organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar (sugar production)
- growing and selling grain and oilseeds crops (agriculture)
- dairy cattle farming (cattle farming)
- soybean processing

Other Group operations mainly comprise the production and sales of fodder and 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 Director. Operating profit and net profit are main measures of segment profit or loss that Group uses to evaluate performance and make decisions about the allocation of resources. The reported measures are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the financial statements.

Revenues from external customers are derived primarily from the sales of sugar, crops, soybean processing and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. The amounts of total liabilities are measured in a manner consistent with that of the consolidated financial statements. Liabilities are allocated based on the operations of the segment.

All unallocated items relate to overall Group's operational activity and may not be allocated to the identified reporting segments.

Items which are not disclosed separately in segment income and expenses are as follows: other operating income, general and administrative expenses, selling and distribution expenses, other operating expenses and income tax.

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:

	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
(in thousands of Ukrainian hryvnias)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues from external customers	**5 414 370**	3 949 165	**5 886 830**	5 447 162	**1 223 959**	1 031 557	**2 857 199**	2 337 570	**248 818**	161 610	**15 631 176**	12 927 064
Inter-segment revenues	**-**	-	**3 334 980**	2 231 882	**-**	-	**-**	-	**-**	-	**3 334 980**	2 231 882
Cost of revenues	**(3 927 841)**	(3 075 602)	**(5 636 672)**	(4 853 108)	**(848 402)**	(779 261)	**(2 615 543)**	(1 995 615)	**(178 298)**	(143 050)	**(13 206 756)**	(10 846 636)
Inter-segment cost of revenues	**(1 794 088)**	(1 247 229)	**-**	-	**(583 307)**	(455 446)	**(957 585)**	(529 207)	**-**	-	**(3 334 980)**	(2 231 882)
Changes in fair value of biological assets and agricultural produce	**-**	-	**4 701 682**	1 622 298	**(46 175)**	41 956	**-**	-	**-**	-	**4 655 507**	1 664 254
Gross profit	**1 486 529**	873 563	**4 951 840**	2 216 352	**329 382**	294 252	**241 656**	341 955	**70 520**	18 560	**7 079 927**	3 744 682
General and administrative expense	**(277 376)**	(187 967)	**(532 807)**	(392 372)	**(62 713)**	(48 397)	**(24 781)**	(19 526)	**(86 166)**	(52 042)	**(983 843)**	(700 304)
Selling and distribution expense	**(258 975)**	(225 368)	**(630 092)**	(558 509)	**(13 999)**	(14 940)	**(72 009)**	(133 281)	**(18 398)**	(19 374)	**(993 473)**	(951 472)
Other operating (expense) income	**(64 973)**	(84 166)	**(45 168)**	(90 615)	**(8 262)**	(550)	**(27 143)**	(7 647)	**(74 004)**	(127 180)	**(219 550)**	(310 158)
Impairment of property, plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(55 034)	**-**	(55 034)
Profit (loss) from operations	**885 205**	376 062	**3 743 773**	1 174 856	**244 408**	230 365	**117 723**	181 501	**(108 048)**	(235 070)	**4 883 061**	1 727 714
Interest expense on lease liability	**(18 833)**	(23 904)	**(620 301)**	(611 538)	**-**	-	**-**	-	**(32 590)**	(37 747)	**(671 724)**	(673 189)
Foreign currency exchange gain (loss)	**6 835**	(182 834)	**31 710**	(336 702)	**-**	-	**440**	(31 123)	**(4 059)**	22 909	**34 926**	(527 750)
Interest expense	**(19 619)**	(66 847)	**(70 593)**	(157 542)	**-**	-	**(7 828)**	(7 914)	**(67)**	(2 472)	**(98 107)**	(234 775)
Interest income	**-**	-	**-**	-	**-**	-	**-**	-	**9 490**	7 227	**9 490**	7 227
Other income (expense)	**-**	-	**-**	-	**-**	-	**-**	-	**40 724**	(14 396)	**40 724**	(14 396)
Profit (loss) before tax	**853 588**	102 477	**3 084 589**	69 074	**244 408**	230 365	**110 335**	142 464	**(94 550)**	(259 549)	**4 198 370**	284 831
Taxation	**-**	-	**-**	-	**-**	-	**-**	-	**(199 833)**	(18 433)	**(199 833)**	(18 433)
Net profit (loss)	**853 588**	102 477	**3 084 589**	69 074	**244 408**	230 365	**110 335**	142 464	**(294 383)**	(277 982)	**3 998 537**	266 398
Consolidated total assets	**4 517 709**	3 429 229	**13 262 166**	10 281 635	**1 416 716**	1 365 511	**1 377 006**	1 153 375	**780 250**	1 534 629	**21 353 847**	17 764 379
Consolidated total liabilities	**295 011**	468 192	**5 081 575**	4 868 776	**3 866**	4 020	**111 134**	103 592	**551 153**	601 144	**6 042 739**	6 045 724
Other segment information:												
Depreciation and amortisation	**261 688**	290 077	**1 268 067**	1 290 644	**36 922**	40 312	**50 114**	47 960	**43 031**	40 798	**1 659 822**	1 709 791
Additions to non-current assets:												
Property, plant and equipment	**72 437**	49 947	**359 633**	311 222	**48 072**	14 329	**12 764**	14 702	**3 966**	6 078	**496 872**	396 278
Intangible assets	**205**	5	**10 677**	2 409	**80**	-	**379**	108	**1 385**	3 780	**12 726**	6 302
Right-of-use asset	**11 018**	583	**974 022**	242 997	**-**	-	**-**	-	**2 456**	35 921	**987 496**	279 501

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	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues from external customers	**170 197**	126 973	**185 049**	175 137	**38 474**	33 167	**89 814**	75 157	**7 821**	5 196	**491 355**	415 630
Inter-segment revenues	**-**	-	**104 833**	71 759	**-**	-	**-**	-	**-**	-	**104 833**	71 759
Cost of revenues	**(123 711)**	(98 728)	**(177 531)**	(155 787)	**(26 721)**	(25 015)	**(82 379)**	(64 060)	**(5 616)**	(4 592)	**(415 958)**	(348 182)
Inter-segment cost of revenues	**(56 396)**	(40 101)	**-**	-	**(18 336)**	(14 643)	**(30 101)**	(17 015)	**-**	-	**(104 833)**	(71 759)
Changes in fair value of biological assets and agricultural produce	**-**	-	**145 262**	52 721	**(1 427)**	1 363	**-**	-	**-**	-	**143 835**	54 084
Gross profit	**46 486**	28 245	**152 780**	72 071	**10 326**	9 515	**7 435**	11 097	**2 205**	604	**219 232**	121 532
General and administrative expense	**(8 667)**	(6 118)	**(16 648)**	(12 772)	**(1 960)**	(1 575)	**(774)**	(636)	**(2 692)**	(1 694)	**(30 741)**	(22 795)
Selling and distribution expense	**(8 205)**	(7 315)	**(19 962)**	(18 129)	**(444)**	(485)	**(2 281)**	(4 326)	**(583)**	(629)	**(31 475)**	(30 884)
Other operating (expense) income	**(2 045)**	(2 708)	**(1 462)**	(2 882)	**(261)**	(16)	**(847)**	(246)	**(2 328)**	(4 090)	**(6 943)**	(9 942)
Impairment of property, plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(1 633)	**-**	(1 633)
Profit (loss) from operations	**27 569**	12 104	**114 708**	38 288	**7 661**	7 439	**3 533**	5 889	**(3 398)**	(7 442)	**150 073**	56 278
Interest expense on lease liability	**(584)**	(787)	**(19 220)**	(20 132)	**-**	-	**-**	-	**(1 010)**	(1 243)	**(20 814)**	(22 162)
Foreign currency exchange gain (loss)	**196**	(5 936)	**911**	(10 931)	**-**	-	**13**	(1 010)	**(117)**	743	**1 003**	(17 134)
Interest expense	**(595)**	(2 153)	**(2 142)**	(5 074)	**-**	-	**(237)**	(255)	**(2)**	(80)	**(2 976)**	(7 562)
Interest income	**-**	-	**-**	-	**-**	-	**-**	-	**288**	233	**288**	233
Other income (expense)	**-**	-	**-**	-	**-**	-	**-**	-	**1 199**	(444)	**1 199**	(444)
Profit (loss) before tax	**26 586**	3 228	**94 257**	2 151	**7 661**	7 439	**3 309**	4 624	**(3 040)**	(8 233)	**128 773**	9 209
Taxation	**-**	-	**-**	-	**-**	-	**-**	-	**(6 282)**	(598)	**(6 282)**	(598)
Net profit (loss)	**26 586**	3 228	**94 257**	2 151	**7 661**	7 439	**3 309**	4 624	**(9 322)**	(8 831)	**122 491**	8 611
Consolidated total assets	**146 097**	98 712	**428 883**	295 963	**45 815**	39 307	**44 531**	33 201	**25 231**	44 173	**690 557**	511 356
Consolidated total liabilities	**9 540**	13 477	**164 332**	140 151	**125**	116	**3 594**	2 982	**17 824**	17 304	**195 415**	174 030
Other segment information:												
Depreciation and amortisation	**8 102**	9 418	**39 258**	41 902	**1 143**	1 309	**1 551**	1 557	**1 332**	1 324	**51 386**	55 510
Additions to non-current assets:												
Property, plant and equipment	**2 243**	1 622	**11 134**	10 104	**1 488**	465	**395**	477	**123**	200	**15 383**	12 868
Intangible assets	**6**	-	**331**	78	**2**	-	**12**	4	**43**	123	**394**	205
Right-of-use asset	**341**	19	**30 155**	7 890	**-**	-	**-**	-	**76**	1 166	**30 572**	9 075

Geographic information:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Revenue from external customers				
Ukraine	**8 706 217**	6 417 480	**273 674**	206 334
Euroland	**5 777 532**	5 467 136	**181 613**	175 779
incl. Switzerland	***3 944 316***	*3 251 898*	***123 987***	*104 555*
Asia	**675 274**	880 975	**21 227**	28 325
Australia and Oceania	**247 599**	141 511	**7 783**	4 550
Other	**224 554**	19 962	**7 058**	642
	15 631 176	12 927 064	**491 355**	415 630

22 FINANCIAL RISK MANAGEMENT

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.

a) 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 analyzed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The review includes external ratings, where available, and in some cases bank references.

Majority of customers have been transacting with the Group for over three years, and no losses are expected from non-performance by these counterparties. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers. Customers that are graded as «high risk» are placed on a restricted customer list, and future sales are made on a prepayment basis with approval of management. The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance that represents its estimate of lifetime expected credit losses in respect of trade and other receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2021 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;
- it is probable that the borrower will enter bankruptcy.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2021 and 2020 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 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)*	
	2021	**2020**	**2021**	**2020**
Counterparties without external credit rating				
Group A	**610 804**	338 977	**19 753**	9 758
Group B	**14 817**	13 794	**479**	397
Gross carrying amount	**625 621**	352 771	**20 232**	10 155
Loss allowance	**(8 450)**	(4 308)	**(274)**	(124)
Carrying amount - Counterparties without external credit rating	**617 171**	348 463	**19 958**	10 031
Past due trade receivables				
Gross carrying amount	**74 890**	165 368	**2 422**	4 760
Loss allowance	**(28 987)**	(47 318)	**(937)**	(1 362)
Carrying amount - Past due trade receivables	**45 903**	118 050	**1 485**	3 398
	663 074	466 513	**21 443**	13 429

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 2021 provided in Note 9.

In the year ended 31 December 2021 approximately 13% of revenues (2020: 13%) are derived from two customers. Trade receivables from these customers as at 31 December 2021 equal to UAH 98,397 thousand or EUR 3,182 thousand (2020: trade receivables of UAH 30,986 thousand or EUR 892 thousand).

The credit quality of cash deposits by external credit rating:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Banks with external credit rating (Moody's):				
Short-term deposits				
NP	**1 578**	2 036	**51**	59
Banks without external credit rating:				
Group A	**5 300**	2 950	**171**	85
	6 878	4 986	**222**	144

The credit quality of cash and cash equivalents assessed by reference to external credit ratings:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Cash and cash equivalents				
Banks with external credit rating (Moody's):				
P-1	**120 276**	105 201	**3 890**	3 028
NP	**38 519**	229 024	**1 246**	6 593
Banks without external credit rating:				
Group A	**185 586**	436 562	**6 002**	12 566
Group B	**2 915**	3 746	**94**	108
Cash in transit	**8 849**	-	**286**	-
Cash on hand	**724**	298	**23**	9
	356 869	774 831	**11 541**	22 304

Group A represents Ukrainian banks. Group B represents non-Ukrainian banks. No external ratings in respect of financial instruments available-for-sale, promissory notes available-for-sale and other accounts receivable are available.

The Group keeps cash and deposits mostly in Ukrainian banks, which are subsidiaries of reputable foreign banks. In 2021 the Group continued to work with the same banks as in 2020.

The geographic location of the Group's customers is presented in the table below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Trade receivables neither past due nor impaired				
Ukraine	**550 504**	321 908	**17 802**	9 266
Switzerland	**41 164**	13 928	**1 331**	401
Asia	**14 633**	3 545	**473**	102
EU	**8 152**	9 082	**264**	262
USA	**2 718**	-	**88**	-
Past due trade receivables	**45 903**	118 050	**1 485**	3 398
	663 074	466 513	**21 443**	13 429

(b) 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 operational 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.

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 2021

(in thousands of Ukrainian hryvnias)	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**From two to five years**	**More than five years**
Bank loans	**1 190 038**	**1 272 145**	**582 026**	**227 360**	**435 481**	**27 278**
Lease liability	**3 873 422**	**7 804 633**	**1 002 944**	**991 960**	**2 598 912**	**3 210 817**
Trade and other accounts payable	**639 438**	**639 438**	**633 583**	**4 338**	**1 517**	**-**
Net assets attributable to non-controlling participants in limited liability companies	**12 852**	**12 852**	**-**	**12 852**	**-**	**-**
	5 715 750	**9 729 068**	**2 218 553**	**1 236 510**	**3 035 910**	**3 238 095**

31 December 2021

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	From two to five years	More than five years
Bank loans	**38 485**	**41 140**	**18 822**	**7 353**	**14 083**	**882**
Lease liability	**125 262**	**252 393**	**32 434**	**32 079**	**84 046**	**103 834**
Trade and other accounts payable	**20 678**	**20 678**	**20 489**	**140**	**49**	**-**
Net assets attributable to non-controlling participants in limited liability companies	**416**	**416**	**-**	**416**	**-**	**-**
	184 841	**314 627**	**71 745**	**39 988**	**98 178**	**104 716**

31 December 2020

(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
Bank loans	1 844 194	2 067 215	721 030	425 438	892 287	28 460
Lease liability	3 420 601	7 303 811	888 134	907 041	2 383 273	3 125 363
Trade and other accounts payable	388 382	388 382	384 288	2 165	1 929	-
Non-controlling interests in limited liability companies	24 586	24 586	-	24 586	-	-
	5 677 763	9 783 994	1 993 452	1 359 230	3 277 489	3 153 823

31 December 2020

(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
Bank loans	53 086	59 505	20 755	12 246	25 685	819
Lease liability	98 464	210 245	25 566	26 110	68 604	89 965
Trade and other accounts payable	11 181	11 181	11 063	62	56	-
Non-controlling interests in limited liability companies	708	708	-	708	-	-
	163 439	281 639	57 384	39 126	94 345	90 784

(c) 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 Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of 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 of currencies from exports sales.

The exposure to foreign currency risk is as follows:

(in thousands of Ukrainian hryvnias)		2021		2020
	EUR	USD	EUR	USD
Trade accounts receivable	**-**	**72 176**	1 262	66 681
Short-term deposits	**-**	**-**	222	-
Cash and cash equivalents	**392**	**134 440**	1 196	397 770
Bank loans	**-**	**(1 196 416)**	-	(1 864 660)
Trade accounts payable	**(83)**	**(3 126)**	(93)	(2 684)
Other liabilities and accounts payable	**(446)**	**-**	(100)	(236)
Net exposure	**(137)**	**(992 926)**	2 487	(1 403 129)

(in thousands of Euros)		2021		2020
	EUR	USD	EUR	USD
Trade accounts receivable	**-**	**2 334**	36	1 919
Short-term deposits	**-**	**-**	6	-
Cash and cash equivalents	**13**	**4 347**	34	11 450
Bank loans	**-**	**(38 691)**	-	(53 675)
Trade accounts payable	**(3)**	**(101)**	(3)	(77)
Other liabilities and accounts payable	**(14)**	**-**	(3)	(7)
Net exposure	**(4)**	**(32 111)**	70	(40 390)

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)*	
	2021	**2020**	**2021**	**2020**
Weakening of UAH, %	**10%**	**10%**	**10%**	**10%**
EUR	**(14)**	249	**(0)**	7

pre-tax profit				
	2021	**2020**	**2021**	**2020**
Weakening of UAH, %	**10%**	**10%**	**10%**	**10%**
USD	**(99 293)**	(140 313)	**(3 211)**	(4 039)

As stated under Note 2 (h) the consolidated financial statements are presented in UAH. For the benefit of certain users, the Group also presents all numerical information in EUR. A weakening of the Ukrainian hryvnia against the EUR by 10% as at 31 December 2021 would have decreased total equity by UAH 11 thousand or EUR nil thousand (31 December 2020: UAH 204 thousand or EUR 6 thousand). A weakening of the Ukrainian hryvnia against the USD by 10% as at 31 December 2021 would have decreased total equity by UAH 81,420 thousand or EUR 2,633 thousand (31 December 2020: UAH 115,057 thousand or EUR 3,312 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 2021 the Ukrainian Hryvnia appreciated against the EUR and USD by 10,99% and 3,52% respectively (2020: depreciated against the EUR and USD by 31.48% and 19.37% respectively). As a result, during the year ended 31 December 2021 the Group recognized net foreign exchange gain in the amount of UAH 34,926 thousand (2020: net foreign exchange loss in the amount of UAH 527,750 thousand) in the consolidated income statement.

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)*	
	2021	**2020**	**2021**	**2020**
Fixed rate instruments				
Financial liabilities	**(690 576)**	(1 326 313)	**(22 331)**	(38 178)
Variable rate instruments				
Financial liabilities	**(492 738)**	(492 673)	**(15 935)**	(14 182)

The floating interest rates reflect the real market price for the facility utilized by the company which is often based on London interbank offered rate for loans nominated in US dollars. Taking into account possible growth of interest rates based on London interbank offered rate in the future periods Management attempts to mitigate the interest rates risks by negotiating with banking institutions the introduction of the corresponding hedging mechanisms. 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 designate derivatives (interest rate swaps) 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)*	
		2021	**2020**	**2021**	**2020**
Libor	1,00%	**4 927**	4 927	**159**	142
Libor	-1,00%	**(4 927)**	(4 927)	**(159)**	(142)

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.

Agricultural risk

The agricultural business of the Group is exposed to significant risks associated with outbreaks of livestock diseases and loss of the crop as a result 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 damaged winter crops by spring crops and partial harvest insurance.

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 2021 and 2020, the carrying value of the Group's financial instruments approximates their fair values.

23 TAX AND LEGAL MATTERS

The Group's operations are concentrated in Ukraine. Ukrainian legislation and regulations regarding taxation and other operational matters continue to evolve as a result 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.

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 connection with absence of common methodology of transfer pricing in Ukraine, as well as judiciary practice in the sphere of the transfer pricing, there are risks that the approaches of tax authorities in the valuation of controlled operations will be different from approaches 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 risks can be implemented 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 2021 and 31 December 2020 the Group has a number of land lease agreements in respect of which registration procedure was not finalised. This includes both lease agreements that are not temporarily registered due to lengthy procedure of registration and which will not be registered at all. Therefore in respect of these agreements the risk of collusion by rivals and/or lessors to cancel the right of the Group to lease the land plots area according to these agreements exists. Total area leased according to not registered agreements as at 31 December 2021 comprised 8 thousand hectares which approximate 4% of 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 2021 comprised UAH 124,699 thousand or EUR 4,033 thousand and UAH 126,560 thousand or EUR 4,093 thousand respectively (31 December 2020: UAH 98,454 thousand or EUR 2,834 thousand and UAH 99,425 thousand or EUR 2,862 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.

24 RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's the 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 shareholders. Prices for related party transactions are determined on an market basis.

The following table summarises transactions that have been entered into with related parties for the year ended 31 December 2021 as well as balances with related parties as at 31 December 2021:

(in thousands of Ukrainian hryvnias)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under control of one of the shareholders with significant influence over the Group	9 619	47 216	8 047	99 189
	9 619	47 216	8 047	99 189

(in thousands of Euros)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under control of one of the shareholders with significant influence over the Group	298	1 462	260	3 208
	298	1 462	260	3 208

The following table summarises transactions that have been entered into with related parties for the year ended 31 December 2020 as well as balances with related parties as at 31 December 2020:

(in thousands of Ukrainian hryvnias)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under control of one of the shareholders with significant influence over the Group	1 485	40 716	5 951	104 129
	1 485	40 716	5 951	104 129

(in thousands of Euros)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under control of one of the shareholders with significant influence over the Group	48	1 322	171	2 997
	48	1 322	171	2 997

Other transactions

As at 31 December 2021, the Group had a USD denominated loan from the entity under control of the same controlling shareholder of UAH 95,413 thousand (2020: UAH 98,937 thousand) or EUR 3,086 thousand (2020: EUR 2,848 thousand) bearing an interest of 4.0% p.a.

The Group rents an office premises from related party under control of the shareholder with significant influence over the Group and has accounted these lease agreements according IFRS 16. As at 31 December 2021, the Group had the lease liability in amount of UAH 209,153 thousand or EUR 6,764 thousand and respective right-of-use asset in amount of UAH 174,510 thousand or EUR 5,643 thousand (2020: UAH 210,878 thousand or EUR 6,070 thousand and UAH 194,264 thousand or EUR 5,592 thousand respectively) (Note 6). In 2021 the Group recognized depreciation charge of right-of-use asset in amount of UAH 14,772 thousand or EUR 462 thousand as General and administrative expenses (2020: UAH 12,442 thousand or EUR 405 thousand) (Note 6 and Note 16). During 12 months 2021 the interest expense was charged in amount of UAH 31,823 thousand or EUR 986 thousand (2020: UAH 33,734 thousand or EUR 1,111 thousand) (Note 6 and Note 19).

Management remuneration

The total remuneration of executive and non-executive Board members is specified below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Viktor Ivanchyk	**43 114**	11 123	**1 342**	361
Viktor Gladky	**29 766**	7 402	**926**	240
Marc van Campen	**1 318**	1 166	**40**	40
Howard Dahl	**2 471**	2 206	**75**	75
Gilles Mettetal	**1 318**	1 166	**40**	40
Arslan Huseyin	**1 318**	1 170	**40**	40
	79 305	24 233	**2 463**	796

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totalling six persons). Executive Directors who take part in a day-to-day operational 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 long-term incentive plan and short-term incentives in the form of bonuses. Remuneration of key management for the year ended 31 December 2021 is UAH 79,305 thousand or EUR 2,463 thousand (2020: UAH 24,233 thousand or EUR 796 thousand). This remuneration consist of three components: fixed remuneration of UAH 26,512 thousand or EUR 848 thousand (2020: UAH 24,233 thousand or EUR 796 thousand), variable remuneration in form of bonuses which were accrued for Mr.Ivanchyk amounting to UAH 12,012 thousand or EUR 360 thousand (2020: EUR nil) and for Mr. Gladky amounting to UAH 8,003 thousand or EUR 240 thousand (2020: EUR nil) and expenses on the long-term incentive plan for the year ended 31 December 2021 were accrued for Mr.Ivanchyk in the amount of UAH 19,376 thousand or EUR 600 thousand and for Mr. Gladky in the amount of UAH 13,402 thousand or EUR 415 thousand (2020: no expenses were accrued). These expenses are not part of total 2021 remuneration disclosed in the remuneration report, as these LTI awards were not received by management. The company does not grant loans, advance payments or guarantees to members of the Board of Directors or any family member of such persons.

25 EVENTS SUBSEQUENT TO THE REPORTING DATE

On 14 February 2022 the Group purchased 100% shares in LLC "Podil Agricultural Traditions" for consideration of UAH 15,139 thousand or EUR 473 thousand. Upon acquisition the company had land area under lease of 790 hectares.

On 24 February 2022 Russian Federation starts its military invasion of Ukraine. As result the government has introduced a martial law throughout Ukraine. Chernihiv region was temporarly under military invasion, where the Group operates up to 4k ha of arable land. Currently land under the Group control and sowing campaign in this region is in process.

As at date of issuing of this report the Company continue running its operations without any restrictions. Management of the Company maintain control over all its operations. Office-based personnel are working remotely while production-based employees perform their duties at their areas of operations. About 200 of Group's employees have been mobilized to the Army Forces of Ukraine. The Company supports these employees with the necessary protective equipment and provides financial support to such employees. Ministry of Agrarian Policy and Food of Ukraine is working together with Ministry of Defense of Ukraine in order to reserve workforce for the agricultural sector to proceed with spring sowing campaign.

Agricultural segment of the Group performs maintenance operations to be ready for the start of spring sowing campaign. Both western part and central part of Group's business clusters delivering outstanding inputs on its warehouses. The Company plans to carry out its sowing campaign in order to ensure food security of the country.

Debt service payments are not significant for the Group at this stage and can be covered by current operational cash flow obtained from sale of goods. The Group has sufficient funds to serve the existing debt. The Company has access to local credit facilities which disburse funds for main operational needs (incl. salaries, taxes, inputs etc). The Group has already disbursed UAH 340 mln or EUR 10 mln from local banks for operational needs which are required in March 2022. The Company works with existing and potential lenders (incl. state banks) in order to attract additional funding when it is needed in the future. The Group monitors its obligations on the regular basis and is in close contact with all its lenders. The covenants are to be reassessed on quarterly basis and next reassessment should happen in April 2022 based on results of 1Q ended 31 March 2022.

Business information of the Group is secured and properly stored. Back up storages for all business data are located in different places.

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 military invasion, its duration and short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios of further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might be from significant to severe.

COMPANY FINANCIAL STATEMENTS

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

(before appropriation of the result)

(in thousands of Ukrainian hryvnias)		**31 December 2021**	**31 December 2020**
Assets			
Fixed assets			
Intangible assets		**183**	-
Financial fixed assets			
Investments in subsidiaries	*3*	**14 398 633**	11 520 750
Accounts receivable from subsidiary		**-**	4 006
		14 398 816	11 524 756
Current assets			
Receivables			
Loan granted to subsidiary	*4*	**27 609**	158 195
Other accounts receivable and prepayments	*5*	**884**	25 901
Cash and cash equivalents	*6*	**7 409**	10 307
		35 902	194 403
Total assets		**14 434 718**	11 719 159
Equity and liabilities			
Equity			
Called-up share capital	*7*	**1 663**	1 663
Share premium		**369 798**	369 798
Revaluation reserve		**2 637 057**	2 641 315
Other reserve		**458 824**	520 161
Retained earnings		**7 845 229**	7 919 320
Unappropriated profits		**3 121 881**	266 398
Total equity		**14 434 452**	11 718 655
Current liabilities			
Other liabilities	*8*	**266**	504
		266	504
Total equity and liabilities		**14 434 718**	11 719 159

The balance sheet is to be read in conjunction with the notes to and forming part of the company financial statements set out on pages 180 to 190.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

(before appropriation of the result)

(in thousands of Euros)		31 December 2021	31 December 2020
Assets			
Fixed assets			
Intangible assets		**6**	-
Financial fixed assets			
Investments in subsidiaries	*3*	**465 634**	331 629
Accounts receivable from subsidiary		**-**	115
		465 640	331 744
Current assets			
Receivables			
Loan granted to subsidiary	*4*	**893**	4 554
Other accounts receivable and prepayments	*5*	**28**	745
Cash and cash equivalents	*6*	**240**	297
		1 161	5 596
Total assets		**466 801**	337 340
Equity and liabilities			
Equity			
Called-up share capital	*7*	**250**	250
Share premium		**55 638**	55 638
Revaluation reserve		**139 055**	144 991
Other reserve		**(274 591)**	(320 099)
Retained earnings		**452 299**	447 935
Unappropriated profits		**94 141**	8 611
Total equity		**466 792**	337 326
Current liabilities			
Other liabilities	*8*	**9**	14
		9	14
Total equity and liabilities		**466 801**	337 340

The balance sheet is to be read in conjunction with the notes to and forming part of the company financial statements set out on pages 180 to 190.

COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

(in thousands of Ukrainian hryvnias)		2021	2020
Dividend income	*9*	258 407	-
Interest income related parties	*10*	2 326	6 745
Royalty income	*11*	24 032	22 331
Operating income		284 765	29 076
Impairment on participations		-	-
Interest expense related parties		-	-
Other operating expense		(56 624)	(15 061)
Impairment of investments in subsidiaries	*3*	(876 656)	-
Operating expense		**(933 280)**	(15 061)
Operating (loss)/profit		**(648 515)**	14 015
Other finance income and expense		**2 778**	(14 015)
Loss before taxation		**(645 737)**	-
Income tax expense	*12*	-	-
Share in profit/loss of participations		3 767 618	266 398
Profit after taxation		**3 121 881**	266 398

(in thousands of Euros)		2021	2020
Dividend income	*9*	8 000	-
Interest income related parties	*10*	72	219
Royalty income	*11*	744	725
Operating income		**8 816**	944
Impairment on participations		-	-
Interest expense related parties		-	-
Other operating expense		(1 753)	(489)
Impairment of investments in subsidiaries	*3*	(28 350)	-
Operating expense		**(30 103)**	(489)
Operating (loss)/profit		**(21 287)**	455
Other finance income and expense		86	(455)
Loss before taxation		**(21 201)**	-
Income tax expense	*12*	-	-
Share in profit/loss of participations		115 342	8 611
Profit after taxation		**94 141**	8 611

The profit and loss account is to be read in conjunction with the notes to and forming part of the company statements set out on pages 180 to 190.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 GENERAL

Astarta Holding N.V. (the Company) is a Dutch public company with limited liability, incorporated in Amsterdam on 9 June 2006, registered with the Chamber of Commerce of the Netherlands number 34.24.88.91. The Company acts as a holding company for a number of entities operating in the agricultural sector in Ukraine.

These financial statements are prepared in accordance with Section 9, Book 2 of the Netherlands Civil Code.

Information on the use of financial instruments and on related risks for the Group has been provided under note 22 of the consolidated financial statements.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in Article 362-8 of Book 2 Section 9 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company's financial statements are the same as those applied for the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

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 consolidated 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.

3 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2021 and 2020 the Company owns 100% of the shares of Ancor Investments Ltd, a subsidiary based in Cyprus. These shares and control over the subsidiary were received in July 2006 in exchange for a contribution-in-kind transaction.

In August 2017 the Company has incorporated Astarta Trading GmbH, a subsidiary based in Switzerland with share capital of CHF 20,000. The Company owns 100% of the shares of Astarta Trading GmbH, all shares are fully paid. The Company controls Astarta Trading GmbH since its incorporation.

The movements in the valuation of this investment may be summarised as follows:

(in thousands of Ukrainian hryvnias)	2021	2020
Balance as at 1 January	**11 520 750**	11 439 708
Incorporation of new subsidiary	-	-
Net income	**3 998 537**	266 398
Decrease in reserves	**(182 661)**	(222 625)
Impairment of investments in subsidiaries	**(876 656)**	-
Other movements	-	-
Translation differences	**(61 337)**	37 269
Balance as at 31 December	**14 398 633**	11 520 750

(in thousands of Euros)	2021	2020
Balance as at 1 January	**331 629**	432 961
Incorporation of new subsidiary	-	-
Net income	**122 491**	8 611
Decrease in reserves	**(5 644)**	(7 089)
Impairment of investments in subsidiaries	**(28 350)**	-
Other movements	-	-
Translation differences	**45 508**	(102 854)
Balance as at 31 December	**465 634**	331 629

As at 31 December 2021 the Company recognized impairment of investments in subsidiaries in amount of UAH 876,656 thousand or EUR 28,350 thousand as equity value of its subsidiaries is lower than carrying value of subsidiaries as at 31 December 2021.

For a list of subsidiaries refer to note 2 of the consolidated financial statements.

4 LOAN GRANTED TO SUBSIDIARY

The terms and repayment schedule for loan granted are as follows:

(in thousands of Ukrainian hryvnias)	Nominal interest rate	Year of maturity	31 December 2021	31 December 2020
Loans granted to subsidiary in USD	5%	2021	-	158 195
Loans granted to subsidiary in USD	2,25%	2022	**27 609**	-
			27 609	**158 195**

(in thousands of Euros)	Nominal interest rate	Year of maturity	31 December 2021	31 December 2020
Loans granted to subsidiary in USD	5%	2021	**-**	4 554
Loans granted to subsidiary in USD	2,25%	2022	**893**	-
			893	4 554

As at 31 December 2021 the Company granted a loan to its subsidiaries of UAH 27,278 thousand (USD 1,000 thousand) (2020: UAH 141,373 thousand or USD 5,000 thousand). The loans are unsecured and bears interest of 2,25% p.a. (2020: 5% 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 Ukrainian hryvnias)	31 December 2021	31 December 2020
Other financial assets:		
Other accounts receivable	-	25 164
Prepayments and other non-financial assets:		
Prepayments	884	737
	884	25 901

(in thousands of Euros)	31 December 2021	31 December 2020
Other financial assets:		
Other accounts receivable	-	724
Prepayments and other non-financial assets:		
Prepayments	28	21
	28	745

As at 31 December 2021 other accounts receivable presented by a royalty income receivables for granting a non-exclusive license to use a trade and services mark to its subsidiaries for 2021 are nil (2020: UAH 25 164 thousand or EUR 724 thousand). These balances primarily are denominated in U.S. dollars.

Fair value of royalty income receivables approximates its carrying value. The carrying amount of these receivables are not impaired represents the maximum credit exposure. Other accounts receivables are not impaired and not past due.

6 CASH

As at 31 December 2021, amount of cash is UAH 7,409 thousand (EUR 240 thousand) (2020: UAH 10,307 thousand or EUR 297 thousand). There is no restricted cash.

7 EQUITY

The authorized share capital as at 31 December 2021 and 2020 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 2021, 25,000,000 shares are issued and fully paid. Pursuant to the Dutch regulation "Disclosure of Remuneration of Board Members Act", the total number of shares held by executive and non-executive Board members, and third parties is specified below:

	2021	2020
Astarta Holding N.V.		
Ivanchyk family	**40,00%**	39,57%
Fairfax Financial Holdings LTD and its subsidiaries	**29,91%**	29,91%
Other shareholders	**30,09%**	30,52%
	100,00%	100,00%

The difference between equity according to the Company balance sheet and equity according to the consolidated balance sheet of UAH 876,656 thousand (EUR 28,350 thousand) (2020: UAH nil or EUR nil), as well as the result according to the Company income statement and result according to the consolidated income statement of UAH 876,656 thousand (EUR 28,350 thousand) (2020: UAH nil or EUR nil) is due to recognized impairment of investments in subsidiaries in amount of UAH 876,656 thousand or EUR 28,350 thosand) (2020: UAH nil or EUR nil) as equity value of its subsidiaries is lower than carrying value of subsidiaries as at 31 December 2021.

In 2021 and 2020 there were no pledged shares. For movements in equity refer to the consolidated 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:

- the accumulated gain on revaluation of property, plant and equipment of UAH 1,521,501 thousand (EUR 68,922 thousand) (2020: UAH 1,926,064 thousand or EUR 87,251 thousand) presented within revaluation reserve caption in the balance sheet;
- the accumulated gain on revaluation of biological assets of UAH 1,115,556 thousand (EUR 70,133 thousand) (2020: UAH 715,251 thousand or EUR 57,740 thousand) presented within revaluation reserve caption in the balance sheet;
- the accumulated gain from currency translation adjustment of UAH 458,824 thousand (loss of EUR 274,591 thousand) (2020: gain of UAH 520,161 thousand or loss of EUR 320,099 thousand) presented within other reserve caption in the balance sheet.

As at 31 December 2021, the Group had 750,000 of treasury shares with total cost of UAH 137,875 thousand (EUR 6,103 thousand) (2020: 689,898 of treasury shares with total cost of UAH 119,260 thousand or EUR 5,527 thousand). Par value of each share is EUR 0.01.

In the balance sheet the treasury shares are presented as a deduction from the retained earnings.

In 2021 the Company has declared and paid dividends in amount of EUR 12,155 thousand (UAH 406,171 thousand).

As at 31 December 2021 the Company accrued liability for variable remuneration of the Executive Directors A based on fulfilment of short-term (STI) and long-term incentives (LTI) in 2020 and 2021 according to the Remuneration Policy in amount of UAH 32,778 thousand (EUR 1,060 thousand).

PROPOSAL FOR PROFIT ALLOCATION

The Board of Directors will propose to the Annual General Meeting of Shareholders to transfer the net profit of UAH 3,121,881 thousand (EUR 94,141 thousand) to retained earnings.

The movements in shareholders' equity are as follows:

(in thousands of Ukrainian hryvnias)	Issued share capital							
	Ordinary shares	**Preference shares**	**Share premium**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Unappropriated profits**	**Total**
At 1 January 2020	1 663	-	369 798	2 950 868	482 892	7 726 037	61 554	11 592 812
Net result for the year	-	-	-	-	-	-	266 398	266 398
Exchange rate differences	-	-	-	-	37 269	-	-	37 269
Remeasurements	-	-	-	(177 824)	-	-	-	(177 824)
Reclassification to profit or loss	-	-	-	(131 729)	-	131 729	-	-
	-	-	-	(309 553)	37 269	131 729	266 398	125 843
Transactions with shareholders								
Appropriation of the result of preceding year	-	-	-	-	-	61 554	(61 554)	-
Total movements	-	-	-	(309 553)	37 269	193 283	204 844	125 843
At 31 December 2020	**1 663**	**-**	**369 798**	**2 641 315**	**520 161**	**7 919 320**	**266 398**	**11 718 655**
Net result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3 121 881**	**3 121 881**
Exchange rate differences	**-**	**-**	**-**	**-**	**(61 337)**	**-**	**-**	**(61 337)**
Remeasurements	**-**	**-**	**-**	**28 646**	**-**	**-**	**-**	**28 646**
Reclassification to profit or loss	**-**	**-**	**-**	**(32 904)**	**-**	**32 904**	**-**	**-**
	-	**-**	**-**	**(4 258)**	**(61 337)**	**32 904**	**3 121 881**	**3 089 190**
Transactions with shareholders								
Appropriation of the result of preceding year	**-**	**-**	**-**	**-**	**-**	**266 398**	**(266 398)**	**-**
Share-based incentive plans	**-**	**-**	**-**	**-**	**-**	**32 778**	**-**	**32 778**
Distribution of dividends	**-**	**-**	**-**	**-**	**-**	**(406 171)**	**-**	**(406 171)**
Total movements	**-**	**-**	**-**	**(4 258)**	**(61 337)**	**(74 091)**	**2 855 483**	**2 715 797**
At 31 December 2021	**1 663**	**-**	**369 798**	**2 637 057**	**458 824**	**7 845 229**	**3 121 881**	**14 434 452**

(in thousands of Euros)	Issued share capital							
	Ordinary shares	**Preference shares**	**Share premium**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Unappropriated profits**	**Total**
At 1 January 2020	250	-	55 638	162 180	(217 245)	435 342	2 590	438 755
Net result for the year	-	-	-	-	-	-	8 611	8 611
Exchange rate differences	-	-	-	-	(102 854)	-	-	(102 854)
Remeasurements	-	-	-	(7 186)	-	-	-	(7 186)
Reclassification to profit or loss	-	-	-	(10 003)	-	10 003	-	-
	-	-	-	(17 189)	(102 854)	10 003	8 611	(101 429)
Transactions with shareholders								
Appropriation of the result of preceding year	-	-	-	-	-	2 590	(2 590)	-
Total movements	-	-	-	(17 189)	(102 854)	12 593	6 021	(101 429)
At 31 December 2020	**250**	**-**	**55 638**	**144 991**	**(320 099)**	**447 935**	**8 611**	**337 326**
Net result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**94 141**	**94 141**
Exchange rate differences	**-**	**-**	**-**	**-**	**45 508**	**-**	**-**	**45 508**
Remeasurements	**-**	**-**	**-**	**958**	**-**	**-**	**-**	**958**
Reclassification to profit or loss	**-**	**-**	**-**	**(6 894)**	**-**	**6 894**	**-**	**-**
	-	**-**	**-**	**(5 936)**	**45 508**	**6 894**	**94 141**	**140 607**
Transactions with shareholders								
Appropriation of the result of preceding year	**-**	**-**	**-**	**-**	**-**	**8 611**	**(8 611)**	**-**
Share-based incentive plans	**-**	**-**	**-**	**-**	**-**	**1 015**	**-**	**1 015**
Distribution of dividends	**-**	**-**	**-**	**-**	**-**	**(12 155)**	**-**	**(12 155)**
Total movements	**-**	**-**	**-**	**(5 936)**	**45 508**	**4 365**	**85 530**	**129 467**
At 31 December 2021	**250**	**-**	**55 638**	**139 055**	**(274 591)**	**452 299**	**94 141**	**466 792**

8 OTHER LIABILITIES

Other liabilities as at 31 December are as follows:

(in thousands of Ukrainian hryvnias)	31 December 2021	31 December 2020
Other liabilities	**266**	504
	266	504

(in thousands of Euros)	31 December 2021	31 December 2020
Other liabilities	**9**	14
	9	14

9 DIVIDEND INCOME

The Company has received interim dividends from its subsidiary Ancor Investments Ltd in amount of EUR 8 million or UAH 258 million. Dividends are distributed from Ancor Investments Ltd profits for 2015 and 2016 in amounts of EUR 5 million and EUR 3 million respectively.

10 INTEREST INCOME RELATED PARTIES

The Company's interest income is presented by interest income received for loans granted to subsidiaries for 2021 in amount of UAH 2,326 thousand (EUR 72 thousand) (2020: UAH 6,745 thousand or EUR 219 thousand).

11 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 2021 in amount UAH 24,032 thousand (EUR 744 thousand) (2020: UAH 22,331 thousand or EUR 725 thousand).

12 INCOME TAXES

The Company is subject to Dutch corporate income tax at 25% rate. The effective tax rate is nil for 2021 and 2020.

There is no income tax payable for the current year. The Company's cumulative carried forward tax losses are UAH 152 million (EUR 4.9 million) as of 31 December 2021 (2020: UAH 215 million or EUR 6.2 million). In 2021 EUR 208 thousand of cumulative carried forward tax losses are used due to loss in 2021 (2020: nil). In 2021 cumulative carried forward tax losses in amount EUR 1.1 million are expired for utilization (2020: nil). No deferred tax asset has been recognized due to insufficient future taxable income.

13 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.

14 COMMITMENTS

As at 31 December 2021 and as at 31 December 2020 there were no pledged shares.

As at 31 December 2021 the Company has guaranteed repayment of certain loan agreements incurred by Group subsidiaries in amount of UAH 5,308 million (EUR 181 million) (2020: UAH 7,264 million or EUR 209 million). Such loans are included as liabilities in the consolidated financial statements.

15 DIRECTORS

The Company is managed by the Board of Directors which consists of six members: three Executive Directors and three Non-Executive Directors. The composition of the Board of Directors is as follows:

Viktor Ivanchyk	Chief Executive Officer
Victor Gladky	Chief Financial Officer
Marc van Campen	Chief Corporate Officer
Howard Dahl	Chairman of the Board, Non-Executive Director
Gilles Mettetal	Vice Chairman of the Board, Non-Executive Director
Arslan Huseyin	Non-Executive Director

The total remuneration of executive and non-executive Board members is specified below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2021	**2020**	**2021**	**2020**
Remuneration of executive Board members				
Viktor Ivanchyk	**43 114**	11 123	**1 342**	361
Viktor Gladky	**29 766**	7 402	**926**	240
Marc van Campen	**1 318**	1 166	**40**	40
Total remuneration of executive Board members	**74 198**	19 691	**2 308**	641
Remuneration of non-executive Board members				
Howard Dahl	**2 471**	2 206	**75**	75
Gilles Mettetal	**1 318**	1 166	**40**	40
Arslan Huseyin	**1 318**	1 170	**40**	40
Total remuneration of non-executive Board members	**5 107**	4 542	**155**	155
Total remuneration of Board members	**79 305**	24 233	**2 463**	796

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totaling six persons). Executive Directors who take part in a day-to-day operational 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 long-term incentive plan and short-term incentives in the form of bonuses. Remuneration of key management for the year ended 31 December 2021 is UAH 79,305 thousand or EUR 2,463 thousand (2020: UAH 24,233 thousand or EUR 796 thousand). These remuneration consist of three components: fixed remuneration of UAH 26,512 thousand or EUR 848 thousand (2020: UAH 24,233 thousand or EUR 796 thousand), variable remuneration in form of bonuses which were accrued for Mr.Ivanchyk amounting to UAH 12,012 thousand or EUR 360 thousand (2020: EUR nil) and for Mr. Gladky amounting to UAH 8,003 thousand or EUR 240 thousand (2020: EUR nil) and expenses on the long-term incentive plan for the year ended 31 December 2021 were accrued for Mr.Ivanchyk in the amount of UAH 19,376 thousand or EUR 600 thousand and for Mr. Gladky in the amount of UAH 13,402 thousand or EUR 415 thousand (2020: no expenses were accrued). These expenses are not part of total 2021 remuneration disclosed in the remuneration report, as these LTI awards were not received by management. The company does not grant loans, advance payments or guarantees to members of the Board of Directors or any family member of such persons.

The amount due from the Company's Directors as at 31 December 2021 is nil (31 December 2020 is nil).

16 AUDIT FEES

The following audit fees relate to the audit of 2021 and 2020 financial statements, regardless of whether the work was performed during the financial year.

	(in thousands of Ukrainian hryvnias)			*(in thousands of Euros)*		
2021	**PWC - Ukraine**	**PWC - Netherlands**	**Total Networks**	**PWC - Ukraine**	**PWC - Netherlands**	**Total Networks**
Audit of the financial statements	**2 179**	**3 737**	**5 916**	**67**	**116**	**183**
Other audit services	**6 472**	**-**	**6 472**	**200**	**-**	**200**
Tax services	**-**	**-**	**-**	**-**	**-**	**-**
Other non-audit services	**-**	**-**	**-**	**-**	**-**	**-**
	8 651	**3 737**	**12 388**	**267**	**116**	**383**

	(in thousands of Ukrainian hryvnias)			*(in thousands of Euros)*		
2020	**PWC - Ukraine**	**PWC - Netherlands**	**Total Networks**	**PWC - Ukraine**	**PWC - Netherlands**	**Total Networks**
Audit of the financial statements	6 263	2 988	9 251	203	97	300
Other audit services	3 611	-	3 611	117	-	117
Tax services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
	9 874	2 988	12 862	320	97	417

Other audit services include fees related to the audit of standalone financial statements of Ukrainian subsidiaries.

17 EVENTS SUBSEQUENT TO THE REPORTING DATE

For events subsequent to the reporting date refer to note 25 of the consolidated financial statements.

Board of Directors of Astarta Holding N.V.

06 April 2022

Amsterdam, the Netherlands

Mr. V.Ivanchyk	*(signed)*
Mr. H.A. Dahl	*(signed)*
Mr. V.Gladky	*(signed)*
Mr. M.M.L.J. van Campen	*(signed)*
Mr. G. Mettetal	*(signed)*
Mr. H. Arslan	*(signed)*

OTHER INFORMATION

Profit allocation and distribution in accordance with articles of association

The corporate Articles of Association lay down the following conditions regarding the appropriation of profit (summary):

Article 24

1. The profits shall be at the disposal of the General Meeting.
2. The Company can only make profit distributions to the extent its equity exceeds the paid and called up capital plus reserves which must be maintained pursuant to the law.
3. Dividend payments may be made only after adoption of the annual accounts which show that such payments are permitted. Dividends shall be payable immediately after they have been declared, unless the General Meeting should fix a different date when adopting the relevant resolution. Shareholders' claims vis-à-vis the Company in respect of the payment of a dividend shall lapse after a period of five years from the point at which they are made payable.
4. With due observance of the provisions of paragraph 2 and provided that the requirements of paragraph 2 are fulfilled as evidenced by the interim balance sheet as mentioned in article 2:105, paragraph 4 Dutch Civil Code (Burgerlijk Wetboek), the General Meeting may adopt a resolution to distribute an interim dividend or to make distributions from a reserve which need not be maintained by law.

   Within eight days of the day the payment was announced, the Company must deposit such interim balance sheet with the Trade Register where the Company is registered. If the General Meeting adopts a resolution to that effect, distributions may be made otherwise than in cash.

Independent auditor’s report

To: the general meeting and the board of directors of Astarta Holding N.V.

Report on the financial statements 2021

Our opinion

In our opinion:

- the consolidated financial statements of Astarta Holding N.V. together with its subsidiaries (‘the Group’) give a true and fair view of the financial position of the Group as at 31 December 2021 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (‘EU-IFRS’) and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Astarta Holding N.V. (‘the Company’) give a true and fair view of the financial position of the Company as at 31 December 2021 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of Astarta Holding N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the following consolidated statements for the year 2021: income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity; and
- the notes to the consolidated financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2021;
- the company profit and loss account for the year ended 31 December 2021;
- the notes to the company financial statements, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section ‘Our responsibilities for the audit of the financial statements’ of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Astarta Holding N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

Material uncertainty related to going concern

We draw attention to the going concern paragraph in Note 2(b) on page 108 of the financial statements which indicates that since 24 February 2022, the Group's operations are significantly affected by the ongoing military invasion of Ukraine and that the magnitude of the further developments or timing of when those actions will cease are uncertain. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We designed our audit procedures in the context of our audit of the financial statements as a whole. Our comments and observations regarding our audit approach towards going concern should be read in this context and not as a separate opinion or conclusion on these matters.

Management’s most significant assumptions underlying their plans to address these conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern (hereafter: going concern risks) are:

- management assume that it would be able to draw the cash from the approved credit facilities to finance operating activities. Banks have already approved most of the credit facilities required for the financing of Q1, Q2 and partially Q3 or the approval is in pipeline with the banks
- management would be able to negotiate with the banks and attract additional credit facilities in Q3 2022. Historically management maintained a fruitful relation with the banks and was able to attract new financing
- when preparing the actualized financial forecast, management has made the following adjustments to the initial financial forecast:
    - decreased sales volume due to possible complications with altering the available routes of transportation, i.e. through the western border instead of the ports of the Black Sea
    - decreased costs due to postponement of large investment projects and removing the non-essential capital expenditures

In order to evaluate the appropriateness of management's use of the going concern basis of accounting, including management's expectation that their plans sufficiently address the identified going concern risks and the adequacy of the related disclosures we, with support of restructuring and finance specialists amongst others, performed the following procedures.

Based on our knowledge obtained regarding the Group, its environment and current financial situation, we assessed whether the information obtained regarding events or conditions that may result in going concern risks has been included in management's assessment. We have considered external information such as relevant market data, our understanding of recent developments, read the terms of contracts with banks and determined whether any have been breached and read relevant communication with important customers and suppliers. In addition, we have inquired of management as to their knowledge of going concern risks beyond the period of management's assessment.

Regarding the assumptions underlying management's plans, we:

- read the terms of contracts for the existing credit facilities as well as communications with the banks and verified the terms and conditions of the credit facility amount. We also corroborated the history of cooperation with the banks and verified that in the past the Group was able to draw the approved credit facilities
- analyzed the history of the management's cooperation with the banks and verified that in the past the Group was able to obtain additional financing when it was needed
- using the publicly available information on the scale and location of Group's operations and location of military activities we verified that assets are not located in the areas of active conflict. Through reading news, we verified that logistics related assumptions are consistent with the generally made public Government announcements and industry expectations
- compared the amount of expenditure related to the large investment projects and non-essential capital expenditures in the actualized forecast to initial forecast and assessed the consistency of aforementioned with other significant assumptions underlying the actualized forecast
- corroborated the consistency of these assumptions with assumptions made by management in other significant estimates such as forecasts used in valuation of property plant and equipment and in valuation of biological assets

Regarding management's plans, we:

- evaluated whether the scenario applied in management's actualized financial forecast analysis regarding the expected outcome of management's plans is acceptable based on corroboration of management estimates to publicly available internet resources on open market and state statistics portals (Bloomberg, Reuters, state statistical portals)
- evaluated the possibility whether management can realize their plans timely, specifically with regard to the spring sowing campaign, possibility to export, logistic restrictions and pricing of commodities through corroboration of management assumptions to publicly available internet resources on open market and state statistics portals (Bloomberg, Reuters, state statistical portals)
- assessed whether the expected outcome of management's plans has been adequately included in management's cash flow forecast
- evaluated the consistency of management's business plan and the aforementioned actualized financial forecast

Regarding the cash flow forecast, we

- evaluated the sufficiency of the liquidity headroom as included in the forecast, specifically with regard to availability of financing to support operating activities and the major liquidity needs in the 12 months period from the date of preparation of the financial statements
- evaluated, where necessary, that financing of expected shortages in liquidity can be covered through the disposal of current assets (i.e., available inventories) and will be sufficient for 12 months from the date of preparation of the financial statements.

To consider whether any additional facts or information have become available that may be relevant for the identified going concern risks including management's expectation on the sufficiency of management's plans to mitigate the identified risks, we:

- read minutes of the management meetings, those charged with governance and relevant committees for reference to potential financing difficulties and impact of the war on the business
- consulted publicly available information sources, like Bloomberg and Reuters
- analyzed and discussed the Group's latest available interim financial information

We evaluated whether the going concern risks including management's plans to address the identified risks and the most significant underlying assumptions have been sufficiently described in notes to the financial statements. We found the disclosure in section 'Going Concern' on page 109 of the financial statements, where management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, to be adequate.

Our procedures did not result in outcomes contrary to management's assumptions and judgments used in the application of the going concern assumption and as reflected in the Note 2(b).

Our audit approach

We designed our audit procedures with respect to the key audit matters and fraud, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, like our findings and observations related to individual key audit matters and the audit approach fraud risks was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

Astarta Holding N.V. is a vertically integrated agro-industrial holding incorporated in Amsterdam, the Netherlands, operating mainly in Ukraine and Cyprus. The Group specialises in sugar production, crop growing, soybean processing and cattle farming. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

The adverse effects of the COVID-19 pandemic on the global economy diminished during 2021 however was still observable in the specific areas like supply chain disruptions and travel restrictions. We carefully considered this impact on the Company and took that into account in designing and executing our audit.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 2(i) of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of biological assets, we considered this matter as key audit matter as set out in the section 'Key audit matters' of this report.

Another area of focus was the use of the going-concern assumption as a result of a full-scale military invasion of Ukraine initiated by Russia on 24 February 2022. Reference is made to the paragraph 'Material uncertainty related to going concern'.

In executing our audit, we ensured that the audit team included the appropriate skills and competences which are needed for the audit of an agricultural company. We therefore included specialists in the areas of restructuring and finance, information technology, taxation, and experts in valuation in our team.

The outline of our audit approach was as follows:

Materiality
- Overall materiality: UAH 156.3 million (EUR 4.8 million).

Audit scope
- We conducted audit work over eighteen components and covered all significant components of the Group.
- Site visits were conducted in Ukraine.
- Because of the centralised structure, the entire Group was audited by one engagement team.
- Audit coverage: 99% of consolidated revenue, 97% of consolidated total assets and 97% of consolidated profit before tax.

Key audit matters
- Valuation of biological assets.

Materiality

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	UAH 156.3 million (EUR 4.8 million) (2020: UAH 129.2 million (EUR 4.2 million)).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 1% of revenue.
Rationale for benchmark applied	We used revenue as the primary benchmark, based on our analysis of the common information needs of users of the financial statements. We believe that total revenue is an important metric for the financial performance of the Group. Although we believe that the profit of the business is one of the key performance measures, at this stage revenue is the most objective benchmark. Revenue is the least affected by accounting estimates and is relatively stable. On this basis, we believe that revenue is an important metric for the financial performance of the Group. Profit before tax was not considered as an appropriate benchmark as it was highly volatile over the recent years considering turbulence of market prices for agricultural produce which are also used as input for valuation of biological assets that impact the operating income. At the same time, operating and non-operating costs are not impacted to the same extent by the market sugar prices but are significantly affected by the impairment of property, plant and equipment as well as exchange rate fluctuations. We chose 1%, which in our experience is within the range of acceptable quantitative materiality thresholds for this benchmark.
Component materiality	To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between UAH 33 million (EUR 1 million) and UAH 156.3 million (EUR 4.8 million).

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors that we would report to them misstatements identified during our audit above UAH 15.6 million (EUR 0.48 million) (2020: UAH 12.9 million (EUR 0.42 million)) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Astarta Holding N.V. is the parent company of a group of entities operating primarily in Ukraine, Switzerland and Cyprus. The financial information of this Group is included in the consolidated financial statements of Astarta Holding N.V., refer to the Note 2(c) to the consolidated financial statements for the detailed Group structure.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level.

The group audit included six components in Ukraine and Cyprus, which were subjected to audits of their complete financial information, as those components are individually financially significant to the Group. Additionally, we selected twelve components for specified audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	99%
Total assets	97%
Profit before tax	97%

None of the remaining components represented more than 1% of total group revenue or 1% of total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The Group's operating activities are primarily located in Ukraine. The Group accounting function is centralised in Kyiv and the Group is primarily managed as a single operating unit with multiple operating segments. The Group uses a centralised IT system for its business processes and final reporting, including consolidation. Therefore, all of the audit work was performed by the Group engagement team including the audit of the Group's consolidation and financial statements disclosures.

By performing the procedures above, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

The impact on the climate change on our audit

Sustainability is a core value at Astarta Holding N.V., viewed by management central to the continual growth and success of any business. In 2021 management of Astarta Holding N.V. further expanded the climate change related risk assessment. We refer to sections 'Task Force on Climate-related Financial Disclosures', 'Governance', 'Strategy', 'Risk management', 'Climate related risks relevant to Astarta', 'Metrics and Targets' and 'EU Taxonomy Disclosure' on the pages of the Annual report where management defined potential physical as well as transitional risks, strategy, risk governance and their ongoing initiatives with respect to development of targets and metrics.

Management acknowledged the complexity of regulatory environment and stakeholders' expectations. In adopting its strategic approach to sustainability management was focusing on addressing material external risks, to become more resilient and adaptable in the face of challenges such as climate change and creating a space for innovation.

Climate change initiatives and commitments impact the preparation of the financial statements in a variety of ways, all with inherent uncertainties. In note 2(i) 'Critical accounting estimates and judgements in applying accounting policies' to the consolidated financial statements, management pointed out that climate-related risks do not have a material impact on the financial statements for the financial year ended 31 December 2021, however concluded that this will remain an area of increased focus in the upcoming reporting periods.

As we have not been engaged in expressing assurance over the sustainability reporting, our procedures in this context consisted primarily of making inquiries with officers of the entity and determining the plausibility of the information reported. During our planning procedures, we have made enquiries of management to understand and assess the extent of potential impact of climate related risk on the financial statements.

We challenged the appropriateness of management's assessment of the potential impact on major accounting estimates. The impact of climate related risks is not considered to be a separate key audit matter.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including management's process for responding to the risks of fraud and monitoring the system of internal control and how the one-tier board of directors exercises oversight, as well as the outcomes. We refer to section 'Risk management' ('Report on operations') and section 'Internal control' ('Corporate governance report') of the Annual report for description of governance structure and policies in place on which management relies when managing the risk of fraud.

We further evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We assessed whether those factors indicate that a risk of material misstatement due to fraud is present. In doing this:

- We performed an inquiry of the audit committee and the board of directors as to fraud risks and related party transactions to identify the areas of their concerns in relation to fraud.
- We inquired with executive management and accounting personal as to whether they have any knowledge of (suspected) fraud, their views on overall fraud risks within the Group and their perspectives on the Group's mitigating controls addressing the risk of fraud.
- We assessed the matters reported through the Group's whistleblowing and complaints procedure and results of management's investigation and follow-up on such matters.
- We assessed the IT environment around key systems. We paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.

Based on the fraud risk factors identified we performed the following specific procedures over the identified fraud risks:

Identified fraud risks	*Our audit work and observations*
Risk of management override of controls It is generally presumed that management is in a unique position to perpetrate fraud because of the available opportunity to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Management measures performance of the Group through monitoring of EBITDA, revenue and cash flow, which are considered to be one of the key performance indicators. A risk of override or bypassing of controls as management may be inclined to ensure targets are met, has been identified. In this context, we paid specific attention to non-routine transactions and areas of significant management estimations where management bias may result in fraudulent reporting.	To address this specific risk, we executed the following strategy: Where relevant to our audit, we evaluated the design and effectiveness of controls in the processes of generating and processing journal entries. We assessed whether deficiencies in controls may create additional opportunities for fraud and incorporated respective corroborative procedures in our audit approach. We considered the outcome of our audit procedures over the estimates and significant accounting areas and assessed whether control deficiencies and misstatements identified were indicative of fraud. Where necessary, we planned and performed additional auditing procedures to ensure that fraud risk is sufficiently addressed in our audit. We evaluated key accounting estimates and judgements used in key accounting areas (like valuation of biological assets, impairment of property plant and equipment) for biases, including retrospective reviews of prior year's estimates where available. Further reference is made to key audit matters in this auditor's report. We performed data analysis and focused on journal entries related to the fraud risk factors identified during fraud risk assessment. Where we identified instances of unexpected journal entries, we performed additional audit procedures to address each identified risk. We evaluated whether the business rationale (or lack thereof) of the significant transactions concluded in 2021 suggests that the Group may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. We performed physical observation of the Group's property, plant and equipment, biological assets and inventories. We verified the appropriateness of the authorisation of the purchase agreements. We incorporated an element of unpredictability in the nature timing and extent of procedures.

	We performed substantive testing procedures over the consolidation entries. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of the internal controls.
Risk of fraud in revenue recognition Management performance is linked to financial results, thus there may be intention from management's side to improve Group's performance through fictitious revenue postings, premature revenue recognition or deliberate manipulation with manual inputs to invoice or journal entries.	To address this specific risk, we executed the following strategy: We discussed with the audit committee and executive management (e.g. the chief financial officer) the increased risk of overriding or bypassing controls in order to meet certain key performance indicators. We discussed and inquired with management with respect to the tone at the top, to assess to what extent not meeting targets have an impact on career opportunities or bonuses within the Company, and whether they have any knowledge of (suspected) fraud. In our conversations we addressed their views on overall fraud risks within the Group and their perspectives on the Groups mitigating controls addressing the risk of fraud in revenue. We updated our understanding of the revenue and receivable process through performing an end-to end walkthrough of the process whereby identifying individual revenue streams applicable to the Company and its subsidiaries. We assessed the IT environment around key systems, including IT dependent controls related to the revenue and receivables cycle. We also assessed the design and effectiveness of the internal control measures related to revenue recognition and processing journal entries related to revenue. Using data analysis, we identified revenue reversal entries accounted for close to the year end and substantively tested them to verify that their nature did not represent fraudulent transactions or reporting. We performed substantive audit procedures to assess whether IFRS 15 criteria for recognising revenue in 2021, were met. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the accuracy of the revenue reporting.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In addition to the matter described in the section 'Material uncertainty related to going concern' we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment of property plan and equipment in sugar segment was included in the list of key audit matters in 2020. In 2021, this matter no longer required a significant auditor attention due to recovery of sugar segment. This positive market development resulted in a significant headroom between the recoverable amount, being value-in-use, and the carrying amount at the year end and considerably rebutted the sensitivity of the impairment model to the one of key assumptions - sugar selling price. Taking the above into consideration, the key audit matter for impairment of property plant and equipment in sugar segment has been removed from our audit opinion.

Key audit matter	Our audit work and observations
Valuation of biological assets *Refer to Notes 2(i) and 7 to the consolidated financial statements for related disclosures* 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. The Group has current biological assets, comprised of winter crops of UAH 1.086 million (EUR 35 million) and rapeseeds of UAH 196 million (EUR 6 million) as well as non-current biological assets, mainly consisting of cattle UAH 857 million (EUR 28 million). The Group assesses the fair value less cost to sell of its biological assets based on the discounted cash flow technique. This valuation is significant to our audit because the assessment process is complex and judgemental. The key assumptions used in the preparation of future cash flow (see Note 7 to the consolidated financial statements) are: • expected yields; • prices; • discount rates. Due to the absence of an active market it is based on unobservable data from Group's internal agricultural, sales and financial reporting experts who accumulate	Among other audit procedures, we performed an evaluation of the Group's accounting policy and methodology for valuation of biological assets. We verified that the valuation methods used are in accordance with IAS 41, IFRS 13 and consistent with international valuation standards and industry norms. We assessed the competence, capabilities and experience of the preparers of the valuation, and verified their qualifications. We challenged management's assumptions with reference to historical data (yields) and, where applicable, external benchmarks (prices) and market data noting the assumptions used fell within an acceptable range. Further, we compared those key assumptions to the ones used in the next year budget approved by the Budget Committee; and historical performance, where considered relevant, and evaluated rationale for any change.

Key audit matter	Our audit work and observations
this information based on prior years' performance and publicly available resources, i.e. market analysts' forecasts and industry expert reports, therefore inherently susceptible to the risk of material misstatement. Therefore, we consider valuation of biological assets to be a key audit matter.	We involved our valuation experts to evaluate the reasonableness and appropriateness of the discount rates. We reviewed a sensitivity analysis of the significant assumptions to evaluate their impact on and adequacy of disclosures made relating to the fair value less costs to sell of biological assets. We verified the mathematical accuracy of the valuation model and the adequacy of the Group's disclosures in Note 7 to the consolidated financial statements. No material misstatements or exceptions were noted as a result of our audit procedures.

Report on the other information included in the annual report

The annual report contains other information (the 'Other Information'). This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Astarta Holding N.V. following the passing of a resolution by the shareholders at the annual general meeting held on 2 August 2019. Our appointment has been renewed annually by the shareholders.

European Single Electronic Format (ESEF)

Astarta Holding N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Astarta Holding N.V., complies, in all material respects, with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion on whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (Royal Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Obtaining the reporting package and performing validations to determine whether the reporting package, containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared, in all material respects, in accordance with the technical specifications as included in the RTS on ESEF.
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 15 to the company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The non-executive directors that are part of the one-tier board of directors are responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the 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 but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 8 April 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

Appendix to our auditor's report on the financial statements 2021 of Astarta Holding N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on 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 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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.