2022

AGRI RESOURCES GROUP
ANNUAL REPORT

AGRI RESOURCES

AGRI RESOURCES GROUP
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01 AGRI RESOURCES GROUP
STRATEGIC REPORT

Prang Agro Resources – Concession Prang Region

AGRI RESOURCES GROUP
KEY DATA

REVENUES
€20M

GROSS PROFIT
€5.7M

OPERATING PROFIT
€3M

EQUITY
€114.9M

Penjari National Park - Agroforestry Concession Benin

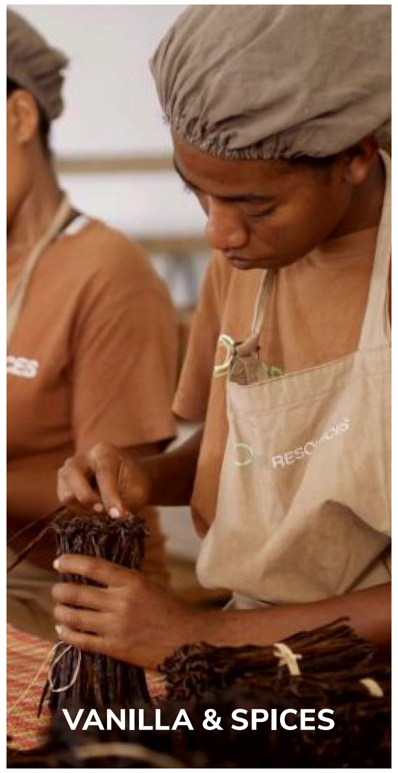
AGRI RESOURCES GROUP
WHO WE ARE

Agri Resources Group S.A. is an international group headquartered in Luxembourg.

Our core business includes the cultivation, sourcing, processing, marketing and trading of agricultural goods.

Our companies participate in food and ingredients value chains in European and African markets, as well as serving international blue–chip customers in the food and cosmetics industries.

Our mission is to bring consumers closer to producers, creating more value and opportunities for our local partners and securing better quality products, while minimising our footprint on the environment.



AGRI RESOURCES GROUP
AT A GLANCE

Our core business includes the cultivation, sourcing, processing, marketing and trading of agricultural goods.

Agri Resources Group operates through three business units:

CROPS

The Crops business unit manages and develops agricultural activities in multiple locations across West and Central Africa, with a focus on supplying local and neighbouring markets.

LOCATIONS
Ghana, Republic of Congo,
Republic of Guinea, Benin

+130 000 ha
Land

Processing &
Storage Facilities

PRANG AGRO RESOURCES
Ghana

AGRI RESOURCES CONGO
Republic of Congo

SOCIÉTÉ AGRICOLE DE GUINÉE
Republic of Guinea

AGRI RESOURCES BENIN
Benin

FRUITS & VEGETABLES

The Fruits & Vegetables business unit is established in Bulgaria and the Republic of North Macedonia. Our subsidiaries source, transform and commercialise processed food commodities in European markets.

LOCATIONS
Bulgaria,
Republic of North Macedonia

2
Canning Factories

Processing &
Storage Facilities

PELTINA GROUP

BONUM CANNING FACTORY
Republic of North Macedonia

PELTINA CANNING FACTORY
Bulgaria

VANILLA & SPICES

The Vanilla & Spices business unit – headed by Agro Resources Mauritius – produces, procures, processes and exports high–quality vanilla, spices and niche products in Madagascar and Mauritius.

LOCATIONS
Madagascar, Mauritius

+140 ha
Land

Processing &
Storage Facilities

AGRI RESOURCES MADAGASCAR
Madagascar

AGRO RESOURCES MAURITIUS
Mauritius

AGRI RESOURCES GROUP
INTERNATIONAL PRESENCE

Agri Resources Group has developed an asset base in strategic locations.

OUR LOCATIONS

Benin
Bulgaria
Comores
Luxembourg
Madagascar
Mauritius
Monaco
North Macedonia
Republic of Congo
Republic of Guinea
Ghana
Spain

AGRI RESOURCES GROUP

OUR STRATEGY

Our sustainable approach is central to our strategy and guides our business decisions. These elements are the pillars of our strategy and key to our success:

DEVELOPED ASSET BASE

We have invested in agricultural land, processing facilities and modern equipment, in strategic locations across Africa and Europe.

STRONG NETWORK

We have developed a robust network of local partners, suppliers and international clients, allowing us to bring high–quality products to markets in Europe, the USA and Asia.

SUSTAINABLE GROWTH

As well as increasing our trade flow volumes, we emphasise the sustainable use of existing assets and resources. We prioritise sustainable agricultural practices that are essential for the quality of our product and business development.

QUALITY

Our strong focus on quality, supported by internationally acknowledged certifications, has enabled us to build a network of reputable clients.

OUR PEOPLE

Our people are fundamental to our success. We hire and train people locally, and we encourage promotion to senior positions, offering employees the opportunity to develop their careers in line with their potential.

DIVERSIFICATION

Our diversified model and wide range of products reduces our exposure to changes in demand and environmental conditions. We operate in both domestic and international markets at different stages of the agricultural supply chain.

01 AGRI RESOURCES GROUP **SUSTAINABILITY**

AGRI RESOURCES GROUP
SUSTAINABLE BUSINESS APPROACH

Our goal is to create value for all of our stakeholders in a manner that is responsible, transparent and respects the rights of all.

To achieve this, we have committed to ensuring the best governance, social and sustainable practices applicable to all of our managed assets.


Société Agricole de Guinée - Developing project for outgrowing with local communities

ENVIRONMENTAL SUSTAINABILITY

Along with our strong ethical commitment to minimising our footprint, we believe that preserving the environment is essential for the long–term well–being of our industry and the quality of our products.

We have developed several programmes including:
- Incentive programmes for the adoption of good agricultural practices by local farmers
- Environmentally sustainable management of land and natural resources by preserving the residual forest and implementing agroforestry
- Implementing environmental and social management systems that address social and environmental risk mitigation, notably vanilla traceability in Madagascar
- In 2022 Agri Resources Group joined the Sustainable Agriculture Initiative Platform

SOCIAL DEVELOPMENT

We operate in underdeveloped areas and recognise that our company has an important role to play in driving positive change for our employees, suppliers and local communities.
We are strongly committed to promoting a sustainable future for all stakeholders, as well as creating employment opportunities.

We have commenced several projects and initiatives for:
- Agronomic training, security and education within farming communities
- Preservation of traditional know–how
- Creating better revenue–generating opportunities for farming communities
- Promoting gender equality and female leadership. Agri resources Group is a signatory of the Women's Empowerment Principles (WEPs), established by the UN Global Compact and UN Women

Agri Resources Congo - CEG De Louvakou

GOVERNANCE

We collaborate with key international business and institutional partners, to ensure the highest standards of governance and safety and the sustainable sourcing of ingredients. In 2022 Agri Resources Group became a signatory of the UN Global Compact.

SAI PLATFORM

WE SUPPORT UN GLOBAL COMPACT

In support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

AGRI RESOURCES GROUP

MESSAGE FROM OUR CEO

The past two years have highlighted more than ever the critical importance of a sustainable approach for agriculture, and the need for businesses to prioritise action over words.

At Agri Resources, every employee understands that agriculture is a vital industry which, despite a challenging road forward, will have the biggest impact on the future of our planet. This is why we are committed to work together and in a transparent way with our suppliers and our clients on this journey.

As such, we are committed to living our values and taking concrete steps towards a more sustainable future. This includes investing in the improvement of our farming practices, sourcing from local partners who prioritise sustainability and fair labour practices. It also involves reducing our carbon footprint through various initiatives such as the use of energy-efficient equipment/renewable energy and short-circuiting the supply chains by focusing on the production of staple products for the local markets.

We also recognise the importance of collaboration and engagement with stakeholders across the value chain, from farmers and suppliers to customers and consumers, to ensure that we are collectively working towards a more sustainable and resilient food system.

We are proud to be a member of the Sustainable Agriculture Initiative Platform which as of now, brings together over 170 member companies and organisations leading the way in sustainable agriculture worldwide.

We are also grateful to the United Nations Global Compact (UNGC) for providing a platform for like-minded businesses and organisations to collaborate and drive global change based on our shared values, which are underpinned by the Ten Principles and the Sustainable Development Goals.

Our Group is committed to upholding the Ten Principles on human and labour rights, the environment, and anti-corruption, as well as the Women's Empowerment Principles set by UN Women.

This year, along with our Sustainability Bond Report, detailing the use of proceeds and socio-environmental impact of Agri Resources Group Sustainability Bond 2021-2026, I am proud to submit our first Communication on Progress for the calendar year 2022, which highlights how we leverage our expertise, our reach, and our relationships to support the Ten Principles, the key tenets of which are fundamental to our firm's strategy.

Best regards,

Frédéric Dalmasie
Chief Executive Officer

AGRI RESOURCES GROUP

UN GLOBAL COMPACT

In 2022, Agri Resources Group S.A. joined over 650 companies and stakeholders on the African continent that are currently signatories of the United Nations Global Compact.

This action is a further step in the group's commitment to minimise its environmental footprint and create a positive socio-economic impact on the communities the company serves while continuously promoting human rights, workers' rights, and the fight against corruption.

THE UN GLOBAL COMPACT IS A CALL TO ACTION FOR ALL COMPANIES EVERYWHERE TO PROMOTE SUSTAINABLE DEVELOPMENT

The United Nations Global Compact is a call to action for all companies everywhere to align their operations and strategies with the Ten Principles in the areas of Human Rights, Labour, the Environment, and Anti-Corruption.

Founded in the year 2000 by the United Nations Secretary-General, the Global Compact is the world's largest corporate sustainability initiative, counting over 13,000 participating companies and 3,000 non-business entities as participants in 177 countries.

Building on its preeminent position as the largest pan-African sustainability initiative, the Global Compact has developed a strategic vision for the African region rooted in three essential elements:

- Accelerate and scale the global collective impact. This ambition aims to raise the floor (the baseline) and the ceiling (expectations) on the social contract of business.
- Uphold the Ten Principles. The basis for all the work of the Global Compact is the Ten Principles concerning Human Rights, Labour, the Environment and Anti-Corruption. They are the DNA of the Global Compact — always relevant regardless of time, location, or circumstances.
- Contribute to the delivery of the SDGs. The SDGs represent a global consensus on the seventeen goals that are essential to advance well-being and prosperity worldwide.

Joining the UN Global Compact reaffirms Agri Resources Group's commitment to integrating the Sustainable Development Goals into its strategy, its culture, and its operations, and to advocating for the broader adoption of these goals in society at large.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

AGRI RESOURCES GROUP

WOMEN EMPOWERMENT PRINCIPLES

The Women's Empowerment Principles (WEPs) are a set of principles offering guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.

WEPs are a primary vehicle for corporate delivery on gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals.

By joining the WEPs community, Agri Resources Group has publicly demonstrated a commitment to this agenda at the highest levels of the company and to work collaboratively in multi-stakeholder networks to foster business practices that empower women. These include equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance against sexual harassment in the workplace.

THE WOMEN'S EMPOWERMENT PRINCIPLES

Principle 1: Establish high-level corporate leadership for gender equality.

Principle 2: Treat all women and men fairly at work– respect and support human rights and non-discrimination.

Principle 3: Ensure the health, safety and well-being of all women and men workers.

Principle 4: Promote education, training and professional development for women.

Principle 5: Implement enterprise development, supply chain and marketing practices that empower women.

Principle 6: Promote equality through community initiatives and advocacy.

Principle 7: Measure and publicly report on progress to achieve gender equality.

AGRI RESOURCES

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Société AGricole de Guinée - Developing project for outgrowing with local communities

AGRI RESOURCES GROUP
SUSTAINABLE AGRICULTURE PLATFORM

Agri Resources Group's membership in the Sustainable Agriculture Initiative Platform (SAI Platform) is a testament to its commitment to sustainable agriculture practices.

SAI Platform is a global food and drink value chain initiative that brings together different stakeholders to promote sustainable agriculture and food systems.

As a member of SAI Platform, Agri Resources Group joins other leading companies, NGOs, and farmers' organisations in promoting sustainable agriculture practices. The platform aims to harness the collective power of its members to accelerate the adoption of sustainable agriculture practices and transform the global food system.

By being part of SAI Platform, Agri Resources Group can access and share the latest knowledge and expertise on sustainable agriculture practices and collaborate with other stakeholders to implement sustainable agriculture practices in its operations. The company can also contribute to shaping policies and standards that promote sustainable agriculture and food systems globally.

2025 GOALS

COLLABORATIVE ACTION

- Active and engaged membership.
- Landscape level projects delivering tangible outcomes / measurable impact with members on the three key themes (climate, nature, livelihoods).
- Reporting that demonstrates the scale and impact achieved through SAI Platform collaborative action.

THEME LEADERSHIP

- Clear outcome metrics established and widely adopted for climate, nature and livelihoods
- A knowledge platform for aggregation of knowledge and best practice on climate, nature and livelihoods.
- Establish meaningful partnerships with industry experts to leverage resources and avoid duplication.

INDUSTRY SOLUTIONS

- Metrics integrated into the Farm Sustainability Assessment (FSA), the Sustainable Dairy Partnership (SDP) and the European Roundtable for Beef Sustainability (ERBS).
- Reporting that aggregates and demonstrates the scale and impact achieved through SAI Platform industry solutions.
- Scale of adoption demonstrated through:
    - FSA coverage > 500K farmers
    - SDP coverage > 50% global traded volume
    - ERBS coverage > 50% European volume


Agri Resources Madagascar – Agroforestry

AGRI RESOURCES GROUP

ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Agri Resources Group contributes to the achievement of the Sustainable Development Goals (SDGs) set by the UN for 2015–2030 by effectively managing our land and sharing best practices with local communities. We are also investing in social projects with an aim to close the poverty gap, as well as environmental projects for the preservation of biodiversity.

SECOND PARTY OPINION ON THE SUSTAINABILITY OF AGRI RESOURCES

In preparation for 2021 sustainable bond issuance, V.E. (formerly Vigeo Eiris, an affiliate of Moody's), was commissioned to provide an independent opinion on the sustainability credentials and management of the potential sustainability bonds to be issued by Agri Resources.

After assessing the Group's
- sustainability strategy;
- capacity to integrate relevant ESG factors in its business model, and to report on them;
- capacity to manage potential stakeholder-related ESG matters;

V.E has issued a favourable second party opinion, expressing their highest level of assurance.

Agri Resources Madagascar - Reforestation Area

01

AGRI RESOURCES GROUP

OUR OPERATIONS

AGRI RESOURCES GROUP

CROPS

We develop agricultural activities in the Republic of Guinea, the Republic of Congo, Ghana and Benin.

AT A GLANCE

ASSET BASE

- 132,000 hectares
- Processing centres and storage warehouses
- Large–scale agricultural machines and equipment

ACTIVITIES

- Cultivation
- Local sourcing
- Processing
- Marketing and export

OUR PRODUCTS


CEREALS


ROOTS & TUBERS


PROTEIN CROPS


VEGETABLE CROPS


NUTS & SEEDS


SPECIALITY CROPS

ALIGNMENT WITH UN SDGs 2015–2030

AGRI RESOURCES GROUP
FRUITS & VEGETABLES

Peltina Group produces high-quality canned vegetables and ready-made vegetable dishes, sold under our own brand as well as under the label of our customers.

AT A GLANCE

ASSET BASE

- **Peltina** – canning factory with production capacity of 7M units per annum.
- **Bonum** – canning factory with production capacity of 3M units per annum and mushroom growing facility with production capacity of 350t per annum

ACTIVITIES

- Canning
- Trading and marketing

OUR PRODUCTS


CANNED VEGETABLES


CANNED FOOD

CERTIFICATIONS

IFS Food · HACCP · ISO 22000 · BSCI Business Social Compliance Initiative · EU organic products

AGRI RESOURCES GROUP
VANILLA & SPICES

The Vanilla & Spices business unit produces, procures, processes and exports high–quality vanilla, spices and other niche products from the Indian Ocean. In addition to using our own land, we source green vanilla and spices from local producers.

AT A GLANCE

ASSET BASE

- 145 hectare plantation
- Processing centres and storage warehouses
- Essential Oils Distillery

ACTIVITIES

- Production
- Processing
- Marketing and export

OUR PRODUCTS


VANILLA


SPICES


ESSENTIAL OILS

ECOCERT · FAIRTRADE

ALIGNMENT WITH UN SDGs 2015–2030

1 NO POVERTY · 2 ZERO HUNGER · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 15 LIFE ON LAND

01 AGRI RESOURCES GROUP
BUSINESS PERFORMANCE

BUSINESS PERFORMANCE

The company has faced a challenging business environment due to the impact of the war in Ukraine, as well as geopolitical factors in West Africa and the Indian Ocean. Despite these challenges, the company has reported solid performance, reflecting the group's resilience and the success of their strategic initiatives. This was notably enabled via sustainable initiatives and commitments.

- Asset Base: The company 's focus on securing an asset base, through a significant investment in plantations, agricultural land, infrastructure, and equipment across multiple countries in Western Africa and the Indian Ocean has resulted in a strong asset base, including non-current assets of 149 M€, and current assets of 31M€.

- Network: The company has successfully built a strong network of subsidiaries across 12 countries, leveraging strategic trade partnerships to bring high-quality products to markets in Africa, Europe, the USA, and Asia.

- Revenue: The company achieved a revenue of 20,6M€ from continuing operations and was able to maintain a good level of sales despite the challenging business environment.

- Operating Profit: The company has focused on operational efficiency and cost control, which has enabled the business to maintain a healthy operating profit of 3M€ .

- Product Diversification: The company has continued to diversify their product portfolios in terms of type, quality, and origin, in Eastern Europe while enhancing their agronomic, financial, and managerial expertise in Africa. This diversification helps the company to mitigate risks and take advantage of new opportunities in different markets.

01 AGRI RESOURCES GROUP
OUTLOOK

OUTLOOK

GENERAL

Despite the unpredictable global environment, the Company expects to grow in 2023, driven by:

- The benefit of new partnerships in the Vanilla and Spices division
- Further integration of cultivation, processing and exporting activities
- Leveraging direct benefits from synergies across the larger group — notably from a logistics and infrastructure perspective
- The strengthening of group operations in Mauritius and Western Africa

The company's ability to secure a steady growth will be strongly buoyed by:

- An internationally acknowledged sustainable approach
- The beneficial commercial impact linked to the exposure of its activities in relation to key development banks and through successfully passed international audits (organic certifications, sustainability ratings)

FINANCING

Long-term and short-term financing facilities are in place, and the relationships with these banks will be maintained.

In order to further grow our activities, additional finance capacity is being developed in Mauritius and Bulgaria, where the company's historical presence is duly appreciated.

In addition to the maintaining and strengthening of existing debt providing solutions, the company has initiated since 2022 the potential on-boarding of minority sustainable investors.

EMPLOYEES

Consistent with previous years, the Company will ensure that the organisation remains lean in terms of headcount.

Key management positions are filled by personnel with the required experience, background, entrepreneurial spirit and drive to contribute to our growth and success. Additional personnel will be employed as and when growth in activities justifies additional headcount. The company will continue to endorse local promotion and training.

01 AGRI RESOURCES GROUP RISKS & UNCERTAINTIES

RISKS & UNCERTAINTIES

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the period. Actual results could differ from those estimates impacted by the following risks:

FLUCTUATION IN CURRENCY EXCHANGE RATES

The company finds its suppliers and customers across the globe, whilst operations and operating costs are spread across several different countries and currencies. Fluctuation in exchange rates, in particular, movements in USD against EUR, may have a material impact on the company's financial results. Note that our business is mainly executed on a USD basis on the sales side, whereas the reporting currency is EUR. If foreign currency exchange rates have a significant impact, the exposure is hedged through adequate instruments. The local expenditures are mainly covered in local African currencies that can fluctuate from the earnings that are in USD. Note that this exposure is limited.

FINANCING, CASH FLOWS & LIQUIDITY

The company's activities are dependent on sufficient availability of liquidity. We have overdraft lines with major local banks. These lines are committed to a short term by nature and, therefore, no guarantee can be given that these lines will be extended. However, all lines have been prolonged over the previous years and there is no imminent reason to assume that these lines will not be extended in the foreseeable future. The vanilla & spices activities are dependent on the availability of financing lines. We have significant uncommitted lines with major banks. These financing lines are uncommitted by nature and, therefore, no guarantee can be given that transactions presented to these banks will be funded. However, all presented deals thus far have been financed by the banks.

COUNTRY RISKS, POLITICAL, COMMUNITY & FISCAL INTERVENTION

The company's operations and projects span numerous countries, some of which have more complex, less stable political or social climates and consequently higher country risk. Political risks include changes in laws, taxes or royalties, expropriation of assets, currency restrictions or renegotiation of, or changes to, leases of property and permits. Similarly, communities in certain regions may oppose activities for various reasons. Any of these factors could have an adverse impact on the company's profitability in a certain geographic region or in certain operations. However, so far, the company has not experienced any such problems.

CLIMATE RISKS IN THE AGRICULTURE SECTOR

As an agricultural company, Agri Resources group's operations and supply chains are also susceptible to climate related risks, notably:

- Drought and heat stress: Drought and heat stress can lead to a reduction in productivity and yield. Droughts also cause significant crop losses and failures, resulting directly in income reduction. Extreme heat also poses rising risks to employees' health and safety due to the physical exertion of working outdoors for long hours.
- Extreme storms & flooding: Extreme storms and heavy wind, such as tropical hurricanes and cyclones, pose a significant threat for agriculture production. Such events can reduce the supply and quality of crops. Recovery from storms and floods can be extremely costly.

RISKS & UNCERTAINTIES

- Wildfires are another source of climate risk for the company. Along with their, impact on agricultural production systems through crop production damage, wildfires can also result in losses in the biodiversity in the local ecosystems, which is essential for the quality of the products. Beyond direct flames, smoke from wildfires can damage the quality of crops that are not directly affected. The direct fires, radiant smoke, and heat could also incur extra economic costs to producers by damaging surrounding infrastructures.

- Invasive species: Climate change will also exacerbate the spread of invasive species. Extreme events, like droughts, floods, and hurricanes, can introduce invasive species to the regions where the Company operates. As the global temperature rises, invasive species can expand to higher altitudes due to warmer winters, increasing the chance of their survival. It is estimated,that the number of established alien species will rise by 36% during the period 2005–2050. Invasive species can reduce the resilience of natural ecosystems and agricultural systems to climate change. These species are one of the main drivers of biodiversity,loss and comprise a major threat to global food systems. The increased spread of invasive species will have strong implications for food security and livelihoods.

To mitigate the increasing risks, beyond working with agricultural insurers, the company aims for resilience in terms of crops grown and methods of production applied.. This process begins by evaluating which crops are going to be less dependent on scarce resources, such as water in dry regions, and which are more tolerant of weather events. This can mean selecting varieties of crops that are able to survive sudden heatwaves or cold spells and are more drought or pest-resistant strains of crops.; at other times, it may mean selecting different products that are better adapted to the new climate of the region.

Furthermore, as a company, we understand the importance of sustainable agricultural practices in reducing climate risks. By focusing on maintaining healthy soil, reducing emissions, diversifying crops, prioritising conservation, and improving water management, we can mitigate the impact of climate change on our operations.

By implementing these practices, we can reduce our exposure to climate-related risks such as drought, flooding, and extreme weather events, which will help protect our investments and ensure stable supply chains. Furthermore, promoting sustainable agriculture practices also helps to maintain biodiversity and contributes to the long-term sustainability of our business.

OTHER RISKS

Other risks facing the Company include performance risk on agreements, quality of work performed, competition, environmental and insurance risks, and uncertainty of additional financing. These risks and the mitigating measures applied, are monitored and managed by the Company on a regular basis and appropriate action is taken whenever this is required.

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the period.

Luxembourg, 28th April 2023

Sebastien Maurin
Director

Steve Gouveia Reluz
Director

Youssef Teta
Director

Agri Resources Madagascar - Vanilla Plantation

02

AGRI RESOURCES GROUP
CONSOLIDATED FINANCIAL STATEMENTS

Please note, that the use of rounded amounts and percentages may result in rounding differences of one unit (kEUR, %, etc.)

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(Before appropriation of result)

EUR 1,000	Note	31/12/2022	31/12/2021
Continuing operations			
Revenue	2	20,674	25,664
Cost of sales	2	-14,943	-18,054
Gross profit	2	**5,730**	**7,609**
Operating expenses			
Selling expenses	3	-1,904	-2,258
Administrative expenses	3	-802	-666
		-2,706	**-2,924**
Operating profit		**3,024**	**4,685**
Depreciation and amortization	3	-2,099	-2,087
Non–operating expenses			
Other non-operating income and expenses	4	-178	-542
Financial income and expense	4	-2,730	-3,253
Net finance cost		**-2,908**	**-3,795**
Loss before tax		**-1,983**	**-1,198**
Income tax expense	5	135	-854
Loss from continuing operations		**-1,848**	**-2,052**
Loss		**-1,848**	**-2,052**
Profit attributable to:			
Equity holders of the Company		-2,075	-2,089
Non–controlling interests		227	36
		-1,848	**-2,052**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR 1,000	31/12/2022	31/12/2021
Loss	**-1,848**	**-2,052**
Other comprehensive income		
Revaluation PPE (note 6)	-24,886	-97
Deferred Tax Liabilities	-	3
Translation differences foreign companies	-6,552	-3,724
Fair value changes	3,920	-2,470
Total comprehensive income	**-29,366**	**-8,341**
Total comprehensive income atrributable to:		
Equity holders of the Company	-27,999	-8,601
Non-controlling interests	-1,367	260
Total result	**-29,366**	**-8,341**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Before appropriation of result)

EUR 1,000	Note	31/12/2022	31/12/2021
Assets			
Non-current assets			
Property plant and equipment	6	145,256	172,739
Intangible fixed assets	7	4,110	3,702
Financial fixed assets		100	522
Total non-current assets		**149,466**	**176,962**
Current assets			
Inventories	8	8,049	4,128
Receivables, prepayments and accrued income	9	7,147	10,512
Cash and cash equivalents	10	15,944	18,216
Total current assets		**31,140**	**32,856**
Total assets		**180,606**	**209,818**
Equity and liabilities			
Equity			
Share capital		91,000	91,000
Reserves and retained earnings		9,111	37,111
Equity attributable to the owners of the Company	11	100,112	128,111
Non-controlling interest	11	14,822	16,189
Total equity		**114,935**	**144,300**
Non-current liabilities			
Loans and borrowings	12	57,219	57,780
Total non-current liabilities		**57,219**	**57,780**
Current liabilities and accruals	12	8,453	7,739
Total current liabilities		**8,453**	**7,739**
Total equity and liabilities		**180,606**	**209,818**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Before appropriation of result)

EUR 1,000	31/12/2022	31/12/2021
Operating profit	3,024	4,684
Working capital changes		
– Movements trade receivables	2,732	-2,407
– Movements inventories	-3,920	2,470
– Movements on other receivables and assets	639	-1,856
– Movements trade payables	884	163
– Movements in other payables and liablilities	-2,709	-656
	-2,374	**-2,285**
Income tax paid	135	-854
	135	**-854**
Cash flow from operating activities	**785**	**1,545**
Investments in intangible fixed assets	-408	-974
Investments in property plant and equipment	-305	-1,233
Acquisition of non–controlling interests	-	-665
Cash flow from investment activities	**-713**	**-2,872**
Proceeds from borrowings and leasing liabilities	655	44,197
Repayment of borrowings and leasing liabilities	-575	-17,023
Movements on loans receivable	-5	-860
Other finance income	318	-
Other finance expense	-	-4,438
Interest received/paid	-2,730	-3,253
Cash flow from financing activities	**-2,338**	**18,623**
Net cash flow		
Exchange rate and translation differences on movements in cash	-6	-6
Movements in cash	**-2,272**	**17,291**
Cash and cash equivalents at 1 January 2022	18,216	
Cash and cash equivalents at 31 December 2022	15,944	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Before appropriation of result)

EUR 1,000	Issued share capital	Share premium	Revaluation reserve	Translation reserve	Other reserves	Result for the year	Legal entity share in Group equity	Third–party share in Group equity	Group Equity
2021									
Opening balance	91,000	-	48,431	-564	-3,991	463	135,339	15,929	151,268
Total comprehensive income and expense for the period									
Profit (/loss) for the period	-	-	-	-	-	-2,089	-2,089	36	-2,052
Revaluation inventory (note 8)	-	-	-2,470	-	-	-	-2,470	-	-2,470
Revaluation PPE (note 6)	-	-	-97	-	-	-	-97	3	-97
Foreign currency translation differences	-	-	-4,373	424	4	-	-3,945	224	-3,721
Total comprehensive income and expense for the period	-	-	-6,940	424	4	-2,089	**-8,601**	260	**-8,340**
Other movements in equity									
Allocation of prior year result	-	-	-	-	463	-463	-	-	-
Capital increase	-	-	-	-	-	-	-		-
Acquisitions	**-**	**-**	**-**	**-**	**1,372**	**-**	**1,372**	**-**	**1,372**
Other movements in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total other movements in equity	**-**	**-**	**-**	**-**	**1,835**	**-463**	**1,372**	**-**	**1,372**
Total	**91,000**	**-**	**41,491**	**-141**	**-2,152**	**-2,089**	**128,111**	**16,189**	**144,300**
2022									
Opening balance	91,000	-	41,491	-141	-2,152	-2,089	128,111	16,189	144,300
Total comprehensive income and expense for the period									
Profit (/loss) for the period	-	-	-	-	-	-2,075	-2,075	227	-1,848
Revaluation inventory (note 8)	-	-	3,920				3,920	-	3,920
Revaluation PPE (note 6)	-	-	-23,292	-	-	-	-23,292	-1,594	-24,886
Foreign currency translation differences	-	-		-6,559	7	-	-6,552		-6,552
Total comprehensive income and expense for the period	-	-	-19,372	-6,559	7	-2,075	**-27,999**	-1,367	**-29,366**
Other movements in equity									
Allocation of prior year result	-	-	-	-	-2,089	2,089	-	-	-
Capital increase	-	-	-	-	-	-	-		-
Acquisitions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other movements in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total other movements in equity	**-**	**-**	**-**	**-**	**-2,089**	**2,089**	**-**	**-**	**-**
Total	**91,000**	**-**	**22,119**	**-6,699**	**-4,234**	**-2,075**	**100,112**	**14,822**	**114,935**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

1.1 Corporate information

The activities of Agri Resources Group S.A. ("Agri Resources Group" or "the Company") and its group companies primarily consist of the development and management of industrial farm activities. The Company has its legal seat at 28 Avenue Marie-Thérèse, L-2132 Luxembourg, the Grand Duchy of Luxembourg, and is registered with the chamber of commerce under number B 201266.

The Company was incorporated as a limited liability company under the laws of the Grand Duchy of Luxembourg on 30 October 2015 for the purpose of establishing an industrial holding company. Its ultimate shareholder is Cycorp First Investment Ltd.

The Company has its corporate headquarters in Luxembourg, which is also the head of the group of legal entities. The consolidated annual accounts comprise the financial information of the Company and of its investments in which it exercises a controlling interest. These investments are fully included in the consolidation.

1.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and its interpretations adopted by the International Accounting Standards Board (IASB), and are in compliance with the provisions of the laws in Luxembourg. The above Standards and Interpretations are collectively referred to as "IFRS" in these financial statements. The Company is exempted from its obligation to prepare consolidated financial statements as Cycorp First Investment Ltd. prepares and publishes consolidated statements. However the Group has voluntarily decided to prepare consolidated financial statements over the financial year 2022. The Company–only financial statements are prepared in accordance with accounting principles applicable in the Grand Duchy of Luxembourg and are presented and published separately from the consolidated financial statements. This statutory company–only annual report of the Company prevails over this annual report from a legal perspective. The objective of this report is to provide an overview of the activities of the Company and its subsidiaries.

The consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union.

1.3 Basis of preparation

The consolidated financial statements are prepared on a going concern basis – the Group continues to maintains a high equity value of EUR 115m compared a net debt of EUR 24m. The bonds have a maturity in 2026.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis:

- except for measurements that have some similarities to fair value but are not fair value — such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.4 New and revised IFRSs

A number of amendments is effective for annual periods that begin on or after 1 January 2022 and have been adapted in preparing these consolidated financial statements. None of these amendments had a significant effect on the financial statements: Amendments to IAS 16, IAS 37, IFRS 1 and IFRS 3.

For annual reporting periods beginning on or after January 1st 2022, the following is a newly effective requirement:

- Annual Improvements to IFRS 2021-2020 Cycle, endorsed by EU - Note in illustrative financial statements - 1, 28; (*IASB Effective Date 1st January 2022*)
- Conceptual Framework for Financial Reporting (Amendments to IFRS 3) (*IASB effective date - January 1st 2022*)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments - Onerous Contracts - Cost of fulfilling a contract) - Note in illustrative financial statements - 30; (*IASB Effective Date 1st January 2022*)
- IAS 16 Property, Plant and Equipment (Amendment - proceeds before intended use) - Note in illustrative financial statements - 14; (*IASB Effective Date 1st January 2022*)

The following new and revised IFRSs that are relevant for the Company have been issued but are not yet effective:

- Amendment to IFRS 17 Insurance Contracts (*applicable for annual periods beginning on or after 1 January 2023*)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment - Disclosure of Accounting Policies) (*applicable for annual periods beginning on or after 1 January 2024*)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)
- (*applicable for annual periods beginning on or after 1 January 2023*)
- Amendments to IAS 12 Income Taxes (Amendment - Deffred Tax related to Assets and Liabilities arising from a Single Transaction) (*applicable for annual periods beginning on or after 1 January 2023*)
- Amendments to IFRS 16 Leasing(Amendment - Liability in a Sale and Leaseback) (*applicable for annual periods beginning on or after 1 January 2024*)
- Amendments to IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current) (*applicable for annual periods beginning on or after 1 January 2024*)
- Amendment to IAS 1 Presentation of Financial Statements (Amendment - Non-Current Liabilities with Covenants) (*applicable for annual periods beginning on or after 1 January 2024*)

The Directors have evaluated the impact that these new standards and interpretations and consider them as not material on the financial statements of the Company in the current version of IFRS.

1.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company 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.
All intragroup assets and liabilities, equity, income,

NOTE 1.

expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

The carrying amounts of the Group's interests and the non–controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non–controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non–controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.6 Business combinations

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

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

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

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

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

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

NOTE 1.

about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re–measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re–measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.
When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re–measured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

1.7 Goodwill

Carried at cost as established at the date of acquisition of the business (see note 1.6.) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash–generating units (or groups of cash–generating units) that is expected to benefit from the synergies of the combination.

A cash–generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash–generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rate based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash–generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.8 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long–term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable

NOTE 1.

assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re–measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

1.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns rebates and other similar allowances.

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amounts of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.10 Leasing

For any new contracts entered into on or after 1 January 2019, the Group evaluates whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that contains the right to use an asset for a period of time in exchange for consideration to be paid.

To apply this definition the Group assesses whether the contract meets three key evaluations of IFRS 16:

- contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available.

- Group has the right to obtain substantially all of the economic benefits from use of the identified asset in the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.

NOTE 1.

- Group assesses whether it has the right to direct 'how and for what purpose' the asset is used in the period of use.

On the lease commencement date, the Group recognises a right–of–use asset and a lease liability on the balance sheet. The right–of–use asset is measured at cost, which is made up of the following costs:

- the initial measurement of the lease liability;
- any initial direct costs incurred by the Grou;,
- an estimate of any costs to dismantle and remove the asset at the end of the lease and
- any lease payments made in advance of the lease commencement date net of incentives.

The Group depreciates the right–of–use assets on a straight–line basis from the lease commencement date to the earlier of the end of the useful life of the right–of–use asset or the end of the lease term.
The Group also assesses the right–of–use asset for impairment when such indicators exist.
At the beginning of leasing date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease. The Group uses an incremental borrowing rate if the implicit rate is not available.

Lease payments included in the measurement of the lease liability are made up of the following:

- fixed payments;
- variable payments based on an index or rate;
- amounts expected to be payable under a residual value guarantee and
- payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in–substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right–of–use asset, or profit and loss if the right–of–use asset is already reduced to zero.

The Group has decided to choose for the possibility of IFRS 16 to account for short–term leases and leases of low–value assets using the practical expedients. Instead of recognising a right–of–use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight–line basis over the lease term.

On the statement of financial position, right–of–use assets have been included in property, plant and equipment and lease liabilities have been included in loans and borrowings or current liabilities and accruals.

1.11 Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re–translated at the rates prevailing at that date. Non–monetary items carried at fair value that are denominated in foreign currencies are re–translated at the rates prevailing at the date when the fair value was determined. Non–monetary items that are measured in terms of historical costs in a foreign currency are not re–translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future reductive use which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences on transactions entered into in order to hedge foreign currency risks.
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into EUR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non–controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of

NOTE 1.

the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset) all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re–attributed to non–controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

1.12 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

1.13 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income, because items in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax based used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized., based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business

NOTE 1.

combination the tax effect is included in the accounting from the business combination.

1.14 Property, plant and equipment and Intangible fixed assets

Property, plant and equipment (with the exception of land) and intangible assets are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Intangible assets include goodwill.

Property, plant and equipment (with the exception of land and buildings) are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned. Identifiable intangible assets with a finite life are amortised on a straight–line basis and/or UOP basis over their expected useful life. Reference is made to note 1.23 for more details on the application of the UOP method. Goodwill is not amortised. Land and buildings are valued at fair value in accordance with IFRS 13 and changes are accounted for in other comprehensive income.

The major categories of property, plant and equipment (with the exception of land and buildings) and intangible assets are depreciated/amortised on a UOP and/or straight–line basis as follows:

Land	fair value model
Buildings	0%
Plant and equipment:	10% – 33%/UOP
Other operating assets:	2%

Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalised and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

1.15 Biological assets

Agri Resources Group points in its consolidated financial statements land for the cultivation of vanilla and spices measured at fair value. Through the long life cycle and harvest cycle a fair value approach according to IFRS respective IAS 41 was not applicable in the previous years. In the financial year 2019, significant progress was made and therefore it became apparent that Agro Natural Resources Madagascar S.A. must account for their biological assets according to IAS 41. It is the Group's position that the vanilla plant has to be separated into a bearer plant part (vanilla tendril) and biological assets/agricultural produce.

The vanilla tendril as a bearer plant falls within the scope of IAS 16 with the result that the initial recognition of the vanilla tendril has to be accounted at cost. The initial recognition is finished after the bearer plant is classified by the Group as ready to use. The subsequent measurement of the vanilla tendril is initial recognition less amortisation measured over the useful lifetime. As a consequence, all costs relating to the vanilla tendril are classified as maintenance cost.

The Group recognises the vanilla beans as a biological asset, as vanilla beans are a biological asset, which are not classified as a bearer plant and clearly identifiable on the bearer plant. Also the entity controls the asset as a result of past events, if the company will have probable future economic benefits, and the fair value or cost of the asset can be measured reliably. Therefore the company has to value the un–harvested vanilla beans on initial recognition at fair value (market value) less estimated costs to sell. The Group accounted for the profit resulting from fair value measurement of the not harvested vanilla beans within the financial year 2022. The gain on initial recognition of these biological assets at fair value less costs to sell is included in profit or loss (other financial income, see note 4). The vanilla beans will be subsequent measured at fair value less estimated costs to sell at the point of harvest or a subsequent reporting period.

1.16 Impairment

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash–generating unit to which the asset belongs.

When a reasonable and consistent basis can be identified, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is

NOTE 1.

an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash–generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount, does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash–generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.17 Inventories

Production inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first–in–first–out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Trading inventories are stated at Fair Value less costs to sell.

1.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.19 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Since 1 January 2019 the Group classifies its financial instruments as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). The classification depends on the Group´s business model for managing the financial assets and contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows represent solely payments of principal and interest. Interest income from those financial is included in finance income.

FVTOCI : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the cash flows of the assets represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Unrealised gains or losses are recorded as a fair value adjustment in the consolidated statement of comprehensive income and transferred to the consolidated income statement when this financial asset is sold. Exchange gains and losses and impairments related to these financial assets are immediately recognised in the consolidated income statement.

FVTPL : Assets that do not meet the criteria for amortised cost or FVTOCI. Changes in fair value of financial instruments at FVPL are immediately recognised in the consolidated income statement.

Listed redeemable notes held by the Group that are

NOTE 1.

traded in an active market are classified as FVTPL and are stated at fair value at the end of each reporting period. Changes in the carrying amount of FVTPL monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on FVTPL equity investments are recognised in profit or loss. Other changes in the carrying amount of FVTPL financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on FVTPL equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of FVTPL monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

FVTPL equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable costs. Other investments, provisionally priced trade receivables and derivatives are carried at fair value. Trade receivables (without provisional price features), loans and other receivables are carried at amortised cost adjusted for any loss allowance.

Financial liabilities (except derivatives and liabilities with provisional price features) are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost. Derivatives and financial liabilities including provisional price features are carried at FVTPL.

1.20 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For FVTPL equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counter–party;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognised represents a probability–weighted estimate of credit losses over the expected life of the financial instrument. Agri Resources Group applies the simplified approach to measure the loss allowance for trade receivables classified as amortised cost using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and an equivalent credit rating, adjusted as appropriate for current observable data and forward–looking information. For all other financial assets at amortised cost the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTE 1.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of FVTPL equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of FVTPL debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.21 De–recognition of financial assets and financial liabilities

The Group de–recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognises a commercialised borrowing for the proceeds received.

On de–recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On de–recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or losses allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de–recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de–recognised and the consideration paid and payable is recognised in profit or loss.

1.22 Derivatives and hedging activities

Derivative instruments, which mainly include contracts to sell or purchase commodities that do not meet the own use exemption, as well as FX derivatives to a minor extend, are initially recognize at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently re–measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices of the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counter–party risk.

NOTE 1.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognised in cost of goods sold.

Those derivatives qualifying and designated as hedges are either:
(i) a Fair Value Hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment, or
(ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probably transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the statement of income.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognised as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income. Hedge ineffectiveness is recorded in the statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognised in the statement of income when the committed or forecast transaction is ultimately recognised in the statement of income.

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a stand–alone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

1.23 Critical accounting policies, key judgments and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Company has identified the following areas as being critical of understanding the Company's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain:

Depreciation and amortisation of property plant and equipment

Certain plant and equipment are depreciated/amortised using UOP rate of depreciation/amortisation, and therefore the annual charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions. Such changes could similarly impact the useful lives of assets depreciated on a straight line basis.

Assessments of extraction of UOP rates against the estimated operating and development plan are performed regularly.

Impairments

Investments in associates and other investments, advances, and loans and property, plant and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets.

If an asset's recoverable amount is less than the assets' carrying amount, an impairment loss is recognised. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets.

Estimates are reviewed regularly by management.

Valuation of derivative instruments

Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Levels 1, 2 and 3, as prescribed

NOTE 1.

by IFRS 7.
Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level2); or using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Company to make market based assumptions (Level 3).

Provisions

The amount recognised as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Fair Value measurements

In addition to recognizing derivative instruments at fair value, as discussed above, an assessment of fair value of assets and liabilities is also required in accounting for other transaction most notably, business combinations and disclosures related to fair values of marketing inventories, financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements.

Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market based transactions rarely exist. The company applies the fair value model to its agricultural land assets for which valuations are obtained using generally accepted valuation techniques that have been reviewed and approved by third party experts.

Extension options for leases

When the Group has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. The Group's Management considers all facts and circumstances including their past practice, experience and any cost that will be incurred in the future to change the lease asset if an option to extend is not taken. Based on these evaluation management decides and determine the lease term. No potential lease payments have been excluded in the lease liabilities as management is reasonably certain that all the extension options will be exercised.

NOTE 2. SEGMENT INFORMATION

2.1 General

The company goal is to secure and develop farming and processing activities in Africa and Europe with products such as crops, vanilla and spices.

The crops activities are based in Ghana, Republic of Congo, Republic of Guinea, and the vanilla and spices activities in Madagascar and Mauritius.

Due to the fact that the company is focussed on this single segment, a further segment report cannot be provided due to commercial sensitivities.

NOTE 3. EXPENSES

EUR 1,000	31/12/2022	31/12/2021
Selling expenses		
Personnel	1,335	1,777
Sales and marketing expenses	570	482
Total selling expenses	**1,904**	**2,258**
Administrative expenses		
Personnel	133	144
Professional services fees	9	46
Facilities and offices	516	390
Other operating expenses	143	86
Total administrative expenses	**802**	**666**
Total operating expenses	**2,706**	**2,924**
Breakdown: depreciation and amortisation		
Property, plant and equipment	1,849	1,488
Intangible assets	-	237
Right–of–use assets	75	75
Financial assets	421	287
Total depreciation and amortisation	2,345	2,087
Allocated to production costs	-246	
As included in administrative expenses	**2,099**	**2,087**

The average number of employees of the Group during the year, converted to full–time equivalents, was 632 of which 630 are employed outside Luxembourg. In the personnel expenses an amount of EUR 7 thousand (2021:EUR 10 thousand) related to pension premiums is included.

NOTE 4. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2022	2021
Financial income and expense		
Interest expenses and similar charges	-2,514	-3,037
Other non operating income and expenses	171	-851
interest expense for leasing arrangements	-216	-216
Total financial income and expense	**-2,559**	**-4,104**
Income from foreign exchange		
Forex gains	-329	385
Forex losses	-20	-76
Total income from foreign exchange	**-348**	**309**
Total financial income and expense	**-2,908**	**-3,795**

NOTE 5. TAXATION

Income taxes consist of the following:

EUR 1,000	2022 %	EUR	2021 %	EUR
Taxable result		-1,983		-1,198
Tax burden based on Luxembourg nominal rate			24.9%	-
Tax differences	24.9%	-		854
Taxation on result on ordinary activities		**-135**		**854**

The effective tax rate on the group results rate differs from the statutory Luxembourg corporate income tax rate applicable to the Company mainly due to increased activity in the farming operations in Madagascar.

NOTE 6. PROPERTY PLANT AND EQUIPMENT

The movements in Property plant and equipment are as follows:

EUR 1,000	Agricultural Land	Buildings	Plant and machinery	Biological Assets	Operating assets Contruction and Development	Total
Gross carrying amount						
1 January 2021	158,566	3,027	14,425	300	2,451	178,769
Additions	-	610	333	276	14	1,233
Disposals	-	-	385	-	-	385
Revaluation	-69	-	-	-28	-	-97
31 December 2021	**158,497**	**3,637**	**15,143**	**548**	**2,465**	**180,290**
Accumulated depreciation and impairments						
1 January 2021	322	1,943	2,752	-	970	5,988
Additions	-	-	-	-	-	-
Depreciation	75	814	195	-	479	1,563
31 December 2021	**397**	**2,757**	**2,948**	**-**	**1,449**	**7,551**
Net book value at 31 December 2021	**158,100**	**880**	**12,195**	**548**	**1,016**	**172,739**

EUR 1,000	Agricultural Land	Buildings	Plant and machinery	Biological Assets	Operating assets Contruction and Development	Total
Gross carrying amount						
1 January 2022	158,497	3,637	15,143	548	2,465	180,290
Additions	-		-		305	305
Reclassification	-	4,151	-4,151	-		-
Disposals	-		-566	-412		-978
Revaluation	-24,858	-	-	-28	-	-24,886
31 December 2022	**133,639**	**7,788**	**10,426**	**108**	**2,770**	**154,731**
Accumulated depreciation and impairments						
1 January 2022	397	2,757	2,948	-	1,449	7,551
Additions				-		-
Depreciation	75	814	606	-	428	1,924
31 December 2022	**472**	**3,571**	**3,554**	**-**	**1,878**	**9,475**
Net book value at 31 December 2022	**133,167**	**4,217**	**6,872**	**108**	**892**	**145,256**

NOTE 6.

Included in the above line items are right–of–use assets over the following:

EUR 1,000	
Agricultural land & related Concessions	3595

Agricultural land

The Land and buildings contain the agricultural land assets that are related to the assets held in Ghana, Republic of Congo, Republic of Guinea and Madagascar.

The overview of the assets is as follows:

Ghana: land for the cultivation of crops – maize, soybean and poultry breeding. Our operation includes a waterway and grain drying facility.

Republic of Congo: land for the cultivation of crops, mainly rice – 50 years lease in Dolisie/Louvakou.

Republic of Guinea: land for farming in Kindia Region - 10 years lease.

Madagascar: land for the cultivation of vanilla and spices – long–term leases of 99 years.

Our operation owns processing and storage facilities.

The valuation is executed by internal experts and then reviewed and confirmed by third party experts. As there is no direct market or comparable market data available, the fair value is determined in accordance with the level 3 principles under IFRS. This means that the valuation is based on generally accepted valuation methods (discounted cash flow models).

The main parameters used are local sales prices, expenses and investments that are derived from company data or other sources and converted to the applicable situation. The weighted average costs of capital that is used in the calculations ranges from 6% to 11%.

The biological assets are the vanilla beans, which are not classified as a bearer plant and clearly identifiable on the bearer plant, reference is made to note 1.15.

NOTE 7. INTANGIBLE FIXED ASSETS

EUR 1,000	Goodwill	Other intangible assets	Total
Gross carrying amount			
1 January 2022	3,737	210	3,947
Additions	-	408	408
31 December 2022	**3,737**	**618**	**4,355**
Accumulated amortization and impairments			
1 January 2022	237	8	245
Amortization	-	-	-
31 December 2022	**237**	**8**	**245**
Net book value at 31 December 2022	**3,500**	**610**	**4,111**

Goodwill

Goodwill is related to the investments in the production activities (2022: EUR 3.500 thousand 2021: EUR 3.500 thousand) in Peltina. The recoverable amount of each cash–generating unit, used in the annual impairment tests performed in the fourth quarter, is based on its value in use. Key assumptions used in the impairment tests for the cash–generated units were sales growth rates, operating result and the rates used for discounting the projected cash flows. These cash flow projections were determined using management's internal forecasts that cover a period of 5 years, based on the financial plans as approved by the Company's management.

Impairment

The recoverable amount of each cash–generating unit, used in the annual impairment tests performed in the fourth quarter, is based on its value in use. Key assumptions used in the impairment tests for the cash–generated units were sales growth rates, operating result and the rates used for discounting the projected cash flows. These cash flow projections were determined using management's internal forecasts that cover a period of 5 years, based on the financial plans. The annual impairment test did not lead to any impairments of goodwill. The present value of estimated cash flows has been calculated using a pre–tax discount rate of 4,1%. Moreover, the key assumptions used by the management in the value in use calculations are a terminal growth rate of 1,9% and a yield average growth rate of 19,7%.

NOTE 8. INVENTORIES

EUR 1,000	31/12/2022	31/12/2021
Raw materials and consumables	4,792	3,572
Work in progress	-	3
Finished goods	3,257	554
Total inventories	**8,049**	**4,129**

The raw materials and consumables are the acquired input resources in the various companies. The finished goods are related to the vanilla operation in Madagascar and the food production facilities. All material is pre–sold, which implies that the Company does not run any price risk. This stock is valued at fair value by using the sales prices minus costs to sell and costs to process further. No impairment has been recorded for the inventories during the year.

NOTE 9. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

EUR 1,000	31/12/2022	31/12/2021
Trade receivables	6,050	4,579
Related parties	866	860
Other receivables	-	4,856
Prepayments and accrued income	232	217
Total receivables, prepayments and accrued income	**7,147**	**10,512**

Regarding the trade receivables the Group applies a simplified approach to measure the loss allowance for trade receivables classified as amortised cost using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The following table details the risk profile of trade receivables based on the Groups´s provision matrix:

EUR 1,000	Expected default rate	Gross carrying amount	Credit Loss allowance (included)
Current	3.10%	1,643	50
1-30 days past due	4.37%	102	4
31-60 days past due	6.72%	2	0
61-90 days past due	4.22%	1	0
More than 90 days past due	10.02%	170	17
Total		**1,918**	**71**

NOTE 9.

The provision for doubtful receivables as at 31 December 2022 amounts to a total of EUR 71 thousand (2021: EUR 103 thousand).

The difference between the Credit loss allowance as per 31 December 2021 and 31 December 2022 amounts to EUR 32 thousand and is recognised as other financial income.

The receivables towards related parties result from financing activities within the Group (reference is made to note 14 regarding the corresponding liabilities).

NOTE 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held at bank, cash in hand and securities. As at 31 December 2022, there were no restricted amounts and all were free for the Company to use. A non-material amount was held in non-European bank accounts (<2%).

NOTE 11. SHARE CAPITAL AND RESERVES

The movement in Equity is provided in E. Consolidated statement of changes in equity.

Issued Share Capital

The share capital amounts to EUR 91 million divided into 9.100.000.000 ordinary shares with a nominal value of EUR 0,01 each, owned 100% by Agricorp Invest S.A.

Translation Reserve

The translation reserve comprises of all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of inter–company loans of permanent nature.

Revaluation Reserve

In accordance with Luxembourg law, the result that applies to the revaluations of assets is non–distributional and allocated to the revaluation reserve (legal reserve).

NOTE 12. LIABILITIES

EUR 1,000	31/12/2022	31/12/2021
Long–term liabilities		
Bank loans (> 1 year)	2,173	2,548
Bonds	41,738	42,180
IFRS 16 Leasing Liability	3,591	3,577
Related parties (>1 year)	9,423	9,316
Other Long–term Liabilities	294	159
Long–term liabilities	**57,219**	**57,780**
Current liabilities and accruals		
Bank loans (< 1 year)	1,734	1,080
Trade payables	3,573	2,689
Related parties payable	-	2,053
Taxes and social security charges payable	455	272
Other current liabilities	2,425	579
Accrued liabilities and deferred income	266	1066
Current liabilities and accruals	**8,453**	**7,738**

Reconciliation of liabilities arising from financing activities.

	Long–term borrowings	Short–term borrowings	Lease liabilities	Total
01–jan–21	12,533	22,022	3,642	38,197
Cash–flows				
–Repayment	-	-16,811	-212	-17,023
–Proceeds	41,670	2,527		44,197
Non–cash				
–Foreign exchange movements	-		147	147
–Reclassifications	-	-	-	-
–Movements in accruals	-	-	-	-
31–dec–21	54,203	7,738	3,577	65,518

	Long–term borrowings	Short–term borrowings	Lease liabilities	Total
01–jan–22	54,203	7,738	3,577	65,518
Cash–flows				
–Repayment	-575	-	-	-575
–Proceeds	-	655		655
Non–cash				
–Foreign exchange movements	-	61	14	75
31–dec–22	53,628	8,454	3,591	65,673

NOTE 12.

Long term liabilities

Bonds represent the Agri Resources Group Sustainability Bond that was launched in 2021 on the Frankfurt Exchange. The term is 5 years (maturity on 17 March 2026) with an interest of 8% per annum. The Fair value of the bonds amount to EUR 20.000 thousand at 31 December 2022.

Current Liabilities and Accruals

All liabilities due in less than one year.

NOTE 13. LEASING

The Group has leases for land concessions. With the exception of short–term leases and leases of low–value underlying assets, each lease is reflected on the balance sheet as a right–of–use asset and a lease liability. Leases of the Group do not contain variable lease payments.

The Group classifies its right–of–use assets in a consistent manner to its property, plant and equipment (see Note 6).

Leases of property generally have a lease term ranging from 5 years to 99 years however most leases of property are generally expected to be limited to 5 years or less except in special circumstances (concessions on land).
Lease payments of the Group are generally fixed.

Each lease generally has restrictions that, unless there is a contractual right for the Group to sub–rent the asset to another party, the right–of–use asset can only be used by the Group. Leases are either non–cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to purchase the underlying asset at the end of the lease, or to ex–tend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office and other buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group has to insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right–of–use asset recognised on balance sheet:

Right of use asset	No. of right of use assets leased	Range of remaining term	Average remaining term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with termination options
Concessions (tangible)	4	45	45	4	-	-

NOTE 13.

Right–of–use assets

Additional information on the right–of–use assets by class of assets is as follows:

EUR 1,000	Asset	Carrying Amount	Additions	Depreciation	Impairment
Concessions (tangible)	4	3,670	-	75	-

The right–of–use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

EUR 1,000	31/12/2021	31/12/2022
Non–current	3,577	3,591

The Group has no possible future lease termination options, therefore additional information on the lease liabilities and amounts in respect of possible future lease termination options not recognised are given.

At 31 December 2022 the Group had not committed to leases which had not commenced.
The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 December 2022 is as follows:

Minimum lease payment due	Within 1 year	1–5 years	Over 5 years	Total
31/12/2022				
Lease payments	232	928	9,520	10,680
Finance charges	216	1,065	8,384	9,665
Net present value	448	1,993	1,136	3,577
31/12/2021				
Lease payments	232	928	9,520	10,680
Finance charges	216	1,065	8,370	9,651
Net present value	448	1,993	1,150	3,591

NOTE 13.

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight–line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

EUR 1,000		
Short–term leases	-	-
Lease payments not recognised as a liability	-	-

The group has no leases with Variable lease payments.

Additional profit or loss and cash flow information:

Total cash outflow in respect of leases in the year EUR	232

For interest expense in relation to leasing liabilities, refer to finance costs (Note 4).

NOTE 14. FINANCIAL INSTRUMENTS

The table below provides an overview of the financial instruments of the Group, classified as at amortized cost. Financial instruments of the class fair value through profit and loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI") are not applicable.

2021 EUR 1,000	note	Loans and receivables	Total
Financial fixed assets (other receivables)	9	521	521
Trade receivables	9	4,579	4,579
Receivables, prepayments and accrued income	9	5,934	5,934
Cash and cash equivalents	10	18,216	18,216
Total financial assets		**29,249**	**29,249**
Borrowings (> 1 year)	12	57,780	57,780
Trade payables	12	2,689	2,689
Trade finance	12	1,080	1,080
Current liabilities and accruals	12	3,970	3,970
Total financial liabilities		**65,519**	**65,519**

2022 EUR 1,000	note	Loans and receivables	Total
Financial fixed assets (other receivables)	9	100	100
Trade receivables	9	1,847	1,847
Receivables, prepayments and accrued income	9	5,300	5,300
Cash and cash equivalents	10	15,944	15,944
Total financial assets		**23,191**	**23,191**
Borrowings (> 1 year)	12	57,219	57,219
Trade payables	12	3,573	3,573
Trade finance	12	1,080	1,080
Current liabilities and accruals	12	3,800	3,800
Total financial liabilities		**65,672**	**65,672**

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/ outflows. Agri Resources Group S.A. classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Agri Resources Group S.A. can assess at the measurement date; or
- Level 2 – Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 – Unobservable inputs for the assets or liabilities, requiring Agri Resources Group S.A. to make market based assumptions.

In the table above (in which the financial instruments are presented) no fair value is applied and during the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 31 December 2022 no financial assets and liabilities were subject to offsetting.

NOTE 14.

Financial and Capital Risk Management

The Group has exposure to the following risks arising from financial instruments:

Credit risk, Liquidity risk, Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter–party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. During 2022 and 2021 none of the Group's revenue attributable to sales transactions with a single multinational customer exceeded 10% of the total revenue.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's payment and delivery terms and conditions are offered. This is done in close cooperation with financial institutions such as banks and credit insurance companies. Nevertheless, in principle insurance coverage is obtained for all Trade Receivables.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's 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.

The Group considers that liquidity risk is mitigated. At the balance sheet date, the Group's current assets compared to its current liabilities was over 3 times. Furthermore, the Company's bond is due after 3 years, in 2026.

Market risk

Market risk is the risk that results out of changes in market prices, such as foreign exchange rates, interest rates, market prices and equity prices and will affect the Group's 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.
The Group buys and sells derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Group. In principle all derivatives are accounted at FVTPL; if required and appropriate, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Production facilities mainly enter into EUR agreements and therefore, the currency risk is insignificant.
The activities are mainly exposed to the USD/EUR exchange rate versus local currencies, as the sales and purchases are predominantly in USD or EUR whilst the local expenses are denominated in the local African currencies. However, the currency risk is limited as the gross margin is mainly fixed in USD or EUR and the local currencies have a downward trend and are of decreased significance in the total.

Interest rates

To limit the interest rate risk, the Company decided to only give out and obtain loans with a fixed interest rate. For overdraft facilities the risk is limited due to the short term of these facilities.

Market price risk

The alternative source of the products that the Company produces comes from the international markets and for these products the global market prices apply. These prices are transparent. As our production is in the lower quarter of the production curve and the fact that our operations are in the local markets (more efficient logistics), the market price risk exposure to the group is limited and brought to acceptable levels.

When instruments are required, the Company prepares a sensitivity analysis with regards to the impact of the changes in commodity price and (if applicable) the changes in foreign currency risks. Based on this analysis an adequate non speculative hedging strategy is applied. At 31 December 2022, the Company has no hedging instruments and no results are realized on hedging instruments during the years 2022 and 2021.

For certain businesses, for example, the vanilla business, prices are fixed by local framework and as such no price risk occurs. For other business streams, a 5% increase or drop in unit prices, would correspond to a similar change in aggregate revenues, depending on the product mix at that time.

NOTE 15. REMUNERATION OF KEY MANAGEMENT

The remuneration of key management is borne by the parent company.

NOTE 16. TRANSACTIONS WITH RELATED PARTIES

Since 2019, the Company has sold the trading activities to its parent company Agricorp Invest S.A. As a result, the related party transactions of 2022 and 2021 are mainly related to trading activities and loans in relation to these activities. Those trading activities and loans are provided at market conditions.

EUR 1,000	Note	2022	2021
Shareholder <1yr	9	-	-
Related parties <1yr	9	866	860
Total Receivables		**866**	**860**
related party >1yr	12	9,423	9,316
Related parties <1yr	12	-	2,053
Total Liabilities		**9,423**	**11,369**
Net receivable (– liability)		**-8,557**	**-10,509**

NOTE 17. GUARANTEES

The Company has not provided any corporate guarantees except for its own subsidiaries.

NOTE 18. CONTINGENT ASSETS AND LIABILITIES

In the course of business, the company is involved in discussions with business partners from time to time. These discussions may include the interpretation and compliance with the terms and conditions of agreements and may also include claims made by the company, as well as against the company. At year end, no claims against the company existed — if any — that were assessed to be probable, nor possible to be successful.

NOTE 19. AUDITOR'S REMUNERATION

EUR 1,000	2022	2021
Audit of the financial statements	84	84
Other audit engagements	-	-
Total professional service fees	**84**	**84**

NOTE 20. LIST OF PRINCIPAL OPERATING, FINANCIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of incorporation	Ownership interest	
		2022	2021
Consolidated (direct)			
Agri Resources International S.A.R.L.	Luxembourg	90.00%	90.00%
Agro Resources (Mauritius) Ltd.	Mauritius	80.00%	80.00%
Karma Produce International S.A.R.L.	Luxembourg	51.00%	51.00%
Integrated Food S.A.R.L.	Luxembourg	100.00%	100.00%
Consolidated (indirect)			
Agri Resources Madagascar S.A.	Madagascar	79.20%	79.20%
Agri Resources Comores S.A.R.L.	Comoros	64.00%	0.00%
Agri Fruits and Vegetables S.A.R.L.	Luxembourg	80.00%	80.00%
Agri Resources Congo S.A.	Republic of the Congo	89.72%	89.72%
Agri Resources Benin S.A.	Benin	81.00%	90.00%
ARG Services Ltd	Mauritius	80.00%	0.00%
Bonum D.O.O.E.L	North Macedonia	40.80%	40.80%
Bonum M D.O.O.E.L	North Macedonia	40.80%	40.80%
CFI (Cinq Freres Ingredients) Ltd	Mauritius	80.00%	80.00%
Ghana Agri S.A.	Luxembourg	90.00%	90.00%
Peltina E.O.O.D.	Bulgaria	80.04%	80.04%
Prang Agro Resources Ltd.	Ghana	81.00%	81.00%
Societe Agricole de Guinee S.A.R.L.	Guinea	99.00%	67.50%

SIGNING OF THE FINANCIAL STATEMENTS

Luxembourg, 28th April 2023

Sebastien Maurin
Director

Steve Gouveia Reluz
Director

Youssef Teta
Director

03 AGRI RESOURCES GROUP OTHER INFORMATION

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

Reference is made to the independent auditor's report on page 68.

SUBSEQUENT EVENTS

No reportable matters.

APPROPRIATION OF RESULTS

The profit earned in a financial year is at the disposal of the general meeting. The Company may pay dividends only insofar as its equity exceeds the paid–in and called–up capital plus the reserves the company is required by law to maintain. Dividends are paid after adoption of the annual accounts, if the annual accounts demonstrate that dividend payments are permissible. Dividends are due and payable immediately after they are declared, unless the general meeting fixes another date in the relevant resolution. A shareholder's claim to a dividend will lapse five years after the dividend becomes due and payable. The general meeting may resolve to pay interim dividends and to pay dividends from a reserve that the Company is not required by law to maintain. The general meeting may resolve to pay dividends in kind. The shares held by the Company in its own capital are to be disregarded in the calculation of the amount of dividend to be paid on shares.

APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2021

The Company–only annual report of 2021 was approved in the General Meeting of Shareholders. The General Meeting of Shareholders has determined that the appropriation of result in accordance with the proposal being made to add the result of 2021 to other reserves.

PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2022

The Board of Directors proposes to transfer the result over the financial year 2022 to other reserves. The financial statements do not yet reflect this proposal.

04

AGRI RESOURCES GROUP

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of Agri Resources Group
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AGRI RESOURCES GROUP (the "Company") and its subsidiaries (the "Group"), which are presented in pages 1 to 76 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Fair Value valuation of agricultural land

Key Audit Matter	Audit procedures performed
We considered the fair value of the assumed agricultural land presented under property plant and equipment, note 7 as a key audit matter because of the complexity in the Management's assumptions in deriving to the fair value. The fair value is subject to the future performances of the companies, industries, commodity prices, projects as well as foreign exchange rates. This requires management to closely monitor the carrying values. In 2022 no impairments were noted.	We reviewed management's assessment of the indicators of any impairment and challenged significant underlying assumptions. Furthermore, we assessed the appropriateness of management's recoverable value models, which included the inherent model inputs and significant assumptions. The valuation was carried out by a third party, we checked the appropriateness of the third party valuation in connection with ISA 620.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Agri Resources Group
Report on the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Other Matter

The financial statements of the Company for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 12 April 2022.

Luxembourg, 28th April 2023

Moisis Aristidou
Certified Public Accountant and Registered Auditor
for and on behalf of

Baker Tilly Klitou and Partners Ltd
Certified Public Accountant and Registered Auditor

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