AGRICOVER SA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2020

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL
REPORTING STANDARDS
as adopted by European Union

KPMG Audit SRL
Victoria Business Park
DN1, Soseaua Bucuresti-Ploiesti nr. 69-71
Sector 1

P.O. Box 18-191
Bucharest 013685
Romania
Tel: +40 (372) 377 800
Fax: +40 (372) 377 700
www.kpmg.ro

Independent Auditors' Report

To the Shareholders of Agricover SA

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of Agricover SA ("the Company"), which comprise the statement of financial position as at 31 December 2020, the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, including significant accounting policies and other explanatory information.

2. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union (IFRS).

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards and regulations are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 financial statements in Romania 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.

Emphasis of Matter – corresponding figures

4. We draw attention to Note 4 to the financial statements which indicates that the corresponding figures presented as at and for the year ended 31 December 2019 have been restated. Our opinion is not modified in respect of this matter.

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Fiscal registration code
RO12997279
Trade Registry
no.J40/4439/2000
Share Capital 2,000 RON

Other Matter - corresponding figures

5. The financial statements of the Company as at and for the year ended 31 December 2019, excluding the adjustments described in Note 4 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 June 2020.

6. As part of our audit of the financial statements as at and for the year ended 31 December 2020, we audited the adjustments described in Note 4 to the financial statements that were applied to restate the corresponding figures presented as at and for the year ended 31 December 2019. We did not audit, review, or apply any procedures to the financial statements as at and for the year ended 31 December 2019, other than with respect to the adjustments described in Note 4 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 4 to the financial statements are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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

    - Identify and assess the risks of material misstatement of the 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 Company's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For and on behalf of KPMG Audit S.R.L.:

Aura Giurcaneanu

KPMG Audit SRL

GIURCANEANU AURA STEFANA

registered in the electronic public register of financial auditors and audit firms under no AF1517

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 28 April 2021

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Auditor financiar: GIURCANEANU AURA STEFANA
Registrul Public Electronic: AF1517

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Firma de audit: KPMG AUDIT S.R.L.
Registrul Public Electronic: FA9

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STATEMENT OF FINANCIAL POSITION
(All amounts in RON unless otherwise stated)

	Note	31 December 2020	31 December 2019 restated
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,253,984	3,232,703
Intangible assets	9	2,475,068	1,221,302
Right of use assets	17	11,542,903	14,468,372
Finance lease receivable from related parties – long term	28	57,518	1,178,754
Investments in associates		10	10
Other non-current receivables	11	18,827,134	18,274,203
Total non-current assets		36,156,617	38,375,344
Current assets			
Inventories	10	55,862,988	57,698,949
Trade and other receivables	11	384,300,970	371,358,767
Finance lease receivable from related parties – short term	28	922,452	1,073,896
Cash and cash equivalents	12	681,520	450,649
		441,767,930	430,582,261
Assets classified as held for sale	13	-	6,899,624
Total current assets		441,767,930	437,481,885
Total assets		477,924,547	475,857,229
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	14	10,463,636	10,463,636
Revaluation reserves	15	993,882	20,375,829
Other reserves		4,739,847	3,560,642
Retained earnings		99,416,717	75,983,360
Total equity		115,614,082	110,383,467
Non-current liabilities			
Borrowings	16	20,252,435	16,766,757
Deferred tax liability	25	491,550	1,659,974
Total non-current liabilities		20,743,985	18,426,731
Current liabilities			
Trade and other payables	18	286,767,129	253,550,445
Income tax liability		2,186,456	4,340,393
Borrowings	16	47,270,446	82,368,999
Contract liabilities	19	5,342,449	6,787,194
Total current liabilities		341,566,480	347,047,031
Total liabilities		362,310,465	365,473,762
Total equity and liabilities		477,924,547	475,857,229

Approved for issue and signed on behalf of the Board of Directors on 27th of April 2021.

Liviu Dobre
President of the Board of Directors

SOCIETATEA AGRICOVER S.A. ROMANIA 1

Violeta Georgescu
Chief Accountant

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the twelve months period ended 31 December
(All amounts in RON unless otherwise stated)

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	Note	31 December 2020	31 December 2019 restated
Continuing operations			
Revenue	20	1,139,721,799	1,109,146,671
Cost of sales	21	(1,066,010,688)	(1,036,166,832)
Impairment loss on trade and other receivables	11	(3,771,484)	(1,301,577)
Gross profit		**69,939,628**	**71,678,262**
Administrative expenses	22	(21,419,163)	(22,001,794)
Other expenses	23	(859,501)	(1,180,817)
Other income	23	1,482,003	249,398
Operating profit (loss)		**49,142,967**	**48,745,049**
Finance income		830,508	199,790
Finance costs		(15,903,867)	(18,463,002)
Net finance costs	**24**	**(15,073,359)**	**(18,263,212)**
Profit before tax		**34,069,608**	**30,481,837**
Income tax expense	25	(4,207,210)	(3,912,757)
Profit from continuing operations		**29,862,398**	**26,569,080**
Profit/(Loss) from discontinued operations, net of tax	13	(259,791)	3,670,664
Profit for the period		**29,602,607**	**30,239,744**
Other comprehensive income, net of tax		-	**413,920**
Total comprehensive income for the period		**29,602,607**	**30,653,664**

Approved for issue and signed on behalf of the Board of Directors on 27th of April 2021.

Liviu Dobre
President of the Board of Directors

SOCIETATEA AGRICOVER S.A. ROMANIA 1

Violeta Georgescu
Chief Accountant

The accompanying notes 1 to 29 are an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
(All amounts in RON unless otherwise stated)

	Share capital	Revaluation reserves	Other reserves	Losses related to own equity instruments (*)	Retained Earnings restated	Total
Balance at 1 January 2019	**26,499,699**	**92,386,494**	**5,392,548**	**(1,819,566)**	**(1,067,467)**	**121,391,708**
Correction of IFRS 9 computation (note 4)	-	-	-	-	(505,262)	(505,262)
Balance at 1 January 2019 – restated	**26,499,699**	**92,386,494**	**5,392,548**	**(1,819,566)**	**(1,572,729)**	**120,886,446**
Profit for the period, restated	-	-	-	-	30,239,744	30,239,744
Increase in revaluation reserves	-	413,920	-	-	-	413,920
Total comprehensive income for the period	**-**	**413,920**	**-**	**-**	**30,239,744**	**30,653,664**
Demerger (note 1)	(16,036,063)	(168,571)	(3,857,565)	-	(9,884,114)	(29,946,313)
Realized revaluation reserves (note 15)	-	(72,256,014)	-	-	72,256,014	-
Dividend distribution	-	-	-	-	(11,210,330)	(11,210,330)
Increase in other reserves	-	-	1,108,080	-	(1,108,080)	-
Legal reserve	-	-	917,579	-	(917,579)	-
Transfer of RE to cover PY losses related to equity instruments	-	-	-	1,819,566	(1,819,566)	-
Total transactions with owners, recognized directly in equity	**(16,036,063)**	**(72,424,585)**	**(1,831,906)**	**1,819,566**	**47,316,345**	**(41,156,643)**
Balance at 31 December 2019	**10,463,636**	**20,375,829**	**3,560,642**	**-**	**75,983,360**	**110,383,467**

(*) The losses related to equity instruments in amount of RON 1,819,566 represent losses from share redemption mostly generated before 2008, which during 2019 the company decided to cover these from the 2018's retained earnings.

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STATEMENT OF CHANGES IN EQUITY
(All amounts in RON unless otherwise stated)

	Share capital	Revaluation reserves	Other reserves	Retained earnings	Total
Balance as at 1 January 2020	**10,463,636**	**20,375,829**	**3,560,642**	**75,983,360**	**110,383,467**
Profit for the year	-	-	-	29,602,607	29,602,607
Total comprehensive income for the year	**-**	**-**	**-**	**29,602,607**	**29,602,607**
Dividend distribution	-	-	-	(24,371,992)	(24,371,992)
Increase in other reserves	-	-	1,179,205	(1,179,205)	-
Realized revaluation reserves (note 15)	-	(19,381,947)	-	19,381,947	-
Total transactions with owners, recognized directly in equity	**-**	**(19,381,947)**	**1,179,205**	**(6,169,250)**	**(24,371,992)**
Balance at 31 December 2020	**10,463,636**	**993,882**	**4,739,847**	**99,416,717**	**115,614,082**

Revaluation reserves realized is represented by sale of assets previously classified as held for sale as at 31 December 2019. These items were classified as PPE under revaluation model until 2012 (and as such accumulated revaluation reserve at each revaluation date), between 2012 and 2017 the assets were classified as Investment Property with gains/losses recognized directly in P&L, and at 31 December 2019 they were classified as Held for sale.

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STATEMENT OF CASH FLOWS
For the twelve months period ended 31 December
(All amounts in RON unless otherwise stated)

	Notes	2020	2019 restated
Cash flows from operating activities			
Profit for the period from continuing operations		29,862,398	26,569,080
Profit/(Loss) for the period from discontinued operations	13	(259,791)	3,670,664
Depreciation and amortization	8,9,13,17	6,755,899	9,559,975
Fair value loss recognised through profit and loss		-	59,781
Unrealized net foreign exchange differences		1,944,583	2,269,713
Impairment of receivables	11	2,709,432	(239,064)
Write down of inventory	10	(62,094)	4,180,415
(Gain)/Loss from the sale of tangible assets	23	(112,896)	(7,352,610)
Income tax	25	4,072,466	4,611,931
Interest income	24	(774,719)	(110,766)
Interest expense	24	3,079,774	4,836,052
Operating profit before changes in working capital		**47,215,052**	**48,055,171**
Changes in working capital			
Increase / (decrease) in trade and other receivables		(23,731,811)	(70,728,342)
(Increase) / decrease in the inventories		1,898,056	(1,666,279)
Increase / (decrease) in trade and other payables		42,576,518	24,903,220
Cash used in operations		**67,957,815**	**563,770**
Interest paid	24	(3,079,774)	(4,836,052)
Interest received	24	774,719	110,766
Income tax paid		(7,394,827)	(8,115,765)
Cash used in operating activities		**58,257,933**	**(12,277,281)**
Cash flows from investing activities			
Payments for acquisitions of property, plant and equipment and intangible assets	8,9	(2,921,410)	(3,236,147)
Proceeds from sale of Property, pland and equipments and Assets held for sale (*)	8,9	13,462,179	38,821,180
Proceeds related to demerger	1	-	20,798,672
Receipts from finance lease receivable	17	1,389,791	1,232,374
Cash generated from investing activities		**11,930,560**	**57,616,079**
Cash flows from financing activities			
Repayment of borrowings	16	(35,193,353)	(15,508,261)
Proceeds from borrowings	16	7,477,370	-
Payments for the reduction of the lease liabilities	16	(6,857,065)	(7,199,386)
Factoring and other financial expenses paid	24	(11,742,688)	(12,623,466)
Dividend paid	14	(23,641,894)	(10,867,600)
Cash generated from financing activities		**(69,957,622)**	**(46,198,713)**
Cash and cash equivalents at the beginning of the period	12	**450,649**	**1,310,564**
Increase/decrease in cash and cash equivalents		230,871	(859,915)
Cash and cash equivalents at the end of the period	12	**681,520**	**450,649**

(*) The amounts contain proceeds from sale of Property, pland and equipments and Assets held for sale made and recorded into other long-term receivables during previous years (twelve months period ended 31 December 2020: RON 12,829,007; twelve months period ended 31 December 2019: RON 4,301,937)

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1 REPORTING ENTITY

Description of business

Agricover SA ("the Company") is a Romanian company established in the year 2000 as the result of the merger between Cerealcom SA and Ulvex SA. The Company's head-office is located at 1B Pipera Blvd, Voluntari, Ilfov.

On April 01, 2019 a demerger process that was started in September 2018 was completed, following which the pig slaughter house line of activity was transferred to a new company (Abatorul Peris SA) controlled by the Company's parent and the arrable lands, held by the Company as Investment Property, were transferred to a second company (Agriland Ferme SA) controlled by the Company's parent.

The demerger generated the following shareholding structure for Abatorul Peris SA and Agriland Ferme (presented at the date of transfer):

Shareholder	Abatorul Peris SA (%)	Agriland Ferme SA (%)
Agricover Holding SA	96.84	96.07
Other shareholders	3.16	3.93
Total	100	100

As a result of the demerger on 1 April 2019, the company derecognized net assets (assets less liabilities) with a carrying value of RON 50,745,003 , equity in amount of 29,946,331 and received consideration of RON 20,798,672. No gain or loss was recorded on the transaction.

All of the company's sales are made in Romania and all the clients are local.

Management structure

At 31 December 2020 the Company's Chief Executive Officer is Mr. Ghita Pinca, its Chief Financial Officer is Mr. Dragos Druga and its Chief Accountant is Mrs. Violetea Georgescu.

At 31 December 2019 the Company's Chief Executive Officer was Mr. Ghita Pinca and its Chief Accountant was Mrs. Violetea Georgescu.

At 31 December 2020 the Board Members are Mr. Dobre Liviu, Mr. Bucataru Stefan Doru and Mrs. Liliana Fedorovici and as at 31 December 2019 the Board Members are Mr. Dobre Liviu, Mr. Bucataru Stefan Doru and Mr. Drisis Dimitrios .

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2 BASIS OF PREPARATION

These financial statements for the twelve months ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS" or "IFRS as adopted by the EU") under the historical cost convention, except for land and buildings, which are carried at revalued amounts, and long term receivables which are carried at fair value. The principal accounting policies applied in the preparation of these financial statements are set out below in Note 3. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Management believes that the Company has adequate resources to continue its operational existence for the foreseeable future. Management has made that assessment after consideration of the Company's liquidity, gearing level, budgeted cash flows and related assumptions. Therefore, the Company continues to adopt the going concern basis in preparing its financial statements.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

As described in Note 1, during 2019 the company completed a demerger process which resulted in the pig slaughterhouse line of activity being demerged into a new company (Abatorul Peris SA) and the arable lands, held by the Company as Investment property, being demerged into another company (Agriland Ferme SA).

Functional and presentation currency

These financial statements are presented in RON, which is the Company's functional currency. All amounts have been rounded to the nearest hundred, unless otherwise indicated.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss. Foreign exchange gains and losses are presented in the profit and loss within 'finance income or costs'.

These financial statements for the twelve months ended 31 December 2020 were authorized for issue by the Company's Board of Directors on **27th of April 2021**. Neither the Company's shareholders, nor any other stakeholders have the power to amend the financial statements after their issuance.

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Signed for identification
KPMG
28. APR. 2021

3 BASIS OF ACCOUNTING

(a) Property, plant and equipment

Land and buildings are stated at revalued amounts, as described below. Land and buildings are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognized in other comprehensive income and decrease the previously recognized revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for land and buildings included in equity is transferred directly to retained earnings when the revaluation surplus is realized on the retirement or disposal of the asset. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment, where required. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Costs of minor repairs and day-to-day maintenance are expensed when incurred.

At the end of each reporting period management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year to the extent it exceeds the previous revaluation surplus in equity. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year within "Other expenses / Other income" line (as applicable) in the profit and loss.

3 BASIS OF ACCOUNTING (continued)

Estimation of fair values of land and buildings and investment property

The fair value of land and buildings and investment property is determined through revaluation. The revaluation process is performed by certified evaluators, with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. The most recent valuation process took place as of 31 December 2019. Revaluation report was issued by Deloitte Consultanta SRL, corporate member of National Association of Valuers from Romania.

Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

In the absence of current prices in an active market, the Company considers information from a variety of sources, including:

- current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

(b) Depreciation

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Useful lives in years

Buildings	9 to 70 (*)
Vehicles and machinery	3 to 10
Furniture, fittings and equipmentes	3 to 15

(*) The average useful life of buildings' depreciation is of 26 years.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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3 BASIS OF ACCOUNTING (continued)

(c) Investment property

The Company classified part of its land as investment property, because they are held for capital appreciation or for generating rental income rather than for use in the production or supply of goods or services or for administrative purposes or sale in the normal course of activity.

Investment property includes land rented by the Company to third parties.

Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated (Net gains/(losses) from fair value adjustments) to reflect market conditions at the end of the reporting period.

Market value of the Company's investment property is determined based on reports of independent appraisers, who hold recognised and relevant professional qualifications and who have recent experience in the valuation of property in the same location and category.

Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately. Gains or losses on disposal of investment property are calculated as proceeds less the carrying amount.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its deemed cost for accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation of property, plant and equipment. Any resulting increase in the carrying amount of the property is recognised in profit or loss for the year to the extent that it reverses a previous impairment loss, with any remaining increase credited directly to other comprehensive income. Any resulting decrease in the carrying amount of the property is initially charged against any revaluation surplus previously recognised in other comprehensive income, with any remaining decrease charged to profit or loss for the year as impairment.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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3 BASIS OF ACCOUNTING (continued)

(d) Intangible assets

Trademarks and licences

Acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 3 to 5 years.

Computer software

Intangible assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Computer software recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

(e) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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3 BASIS OF ACCOUNTING (continued)

(f) Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Depending on their classification financial instruments are carried at fair value (through OCI, or through profit or loss), or amortised cost as described below.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, exhange rate rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

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3 BASIS OF ACCOUNTING (continued)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by, delivery of such unquoted equity instruments.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.
The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount.

Financial assets

Classification

The Company classifies its financial assets in financial assets measured at amortized cost and financial assets measured at fair value. Management determines the classification of its financial instruments at initial recognition.

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3 BASIS OF ACCOUNTING (continued)

Financial assets measured at amortized cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' in the balance sheet.

The Company uses trade date accounting for regular way contracts when recording financial asset transactions.

Financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

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3 BASIS OF ACCOUNTING (continued)

The Company's holding in financial liabilities is included within financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished, discharged, cancelled or have expired.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are borrowings and trade payables.

Determination of fair value

For all other financial instruments, fair value is determined using valuation techniques.

In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, exhange rate rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

The fair value for loans and advances as well as liabilities to banks and other creditors are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

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3 BASIS OF ACCOUNTING (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
  or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The Company has not engaged in any repurchase agreements or securities lending or borrowing transactions.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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3 BASIS OF ACCOUNTING (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company first assesses whether objective evidence of impairment exists.

For loan and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price. 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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit and loss.

3 BASIS OF ACCOUNTING (continued)

(g) Assets classified as held for sale

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
  or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Assets and disposal groups are classified as held for sale as their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The assets (or disposal group) are available for immediate sale and their present condition is subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable.

The management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost (WAC) method and it excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.In case of obsolete inventories, a valuation adjustment is recorded by the Company.

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3 BASIS OF ACCOUNTING (continued)

Discounts granted by suppliers and mentioned on the purchase invoices adjust, namely by decreasing, the inventories' purchase cost. Trade discounts received subsequent to invoicing related to merchandise that is still in stock adjust the inventories' purchase cost, while trade discounts related to merchandise sold are presented in profit and loss statement (Cost of sales).

(i) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at cost when they are originated and subsequently measured at amortised cost using the effective interest method. The amortized cost is reduced by impairment losses.

Other non-current receivables represent the amounts generated by the sale of silos. The Net Present Value of the long term receivables is computed using a discounting rate and having a current market approach.

Allowance for expected credit losses

In making the judgment on the quantification of the bad debt allowance, the management assesses whether there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

If, in a subsequent year, the amount of the allowance for impairment loss changes because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by recording a gain or loss in the income statement. Trade and other receivables, together with the associated provision, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If collection is expected in more than one year, they are classified as non-current assets.

In accordance with IFRS 9 the allowance for bad debts was computed using the simplified approach and a lifetime estimated credit loss (ECL) was recognized on trade receivables.

3 BASIS OF ACCOUNTING (continued)

The exposures were grouped based on their segment on similar credit risk characteristics. On the initial application of IFRS 9 requirements the following homogeneous receivables segments were identified based on the business line:

- Distribution exposures – namely receivables from small farmers;
- Cereals – namely receivables from large international traders;
- Meat Processing and milk – namely receivables from large retailers (super market chains);
- Intercompany;
- Other receivables-mainly old receivables considered by the entity as losses;

Each impairment rate in the provision matrix is estimated as follows:

i. Receivables overdue by more than 365 days are assumed as 100% loss (no further recoveries are expected on these). The Company still presents the trade receivables and related allowance for these receivables on a gross basis (and implicitly does not write-off these overdue receivables); if subsequently such receivables are cashed-in, the allowance is reversed
ii. Loss rates for the other ageing buckets are computed based on migration to loss state of invoices in balance during one year;
iii. An average loss rate was determined based on the average of the loss rates described at point ii. above;
iv. The average loss rate was then applied to the ageing structure as at the date of the ECL calculation.

For the purpose of the determination of the provision matrix and the final ECL calculation, receivables of all defaulted clients (e.g.: client in litigation, insolvency, bankruptcy etc.) were included in the "loss" category irrespective of their overdue status. The entity has not contaminated the loss status for clients with a DPD of 365 days as management considers that the effect of contamination is compensated by not considering further recoveries from loss state.

In case of clients with overdue invoices that are also suppliers for the entity, a compensation method was used, through which the receivables balance were compensated with the suppliers balance. The compensation should be made considering the following conditions:

- the supplier invoice should have the due date after the compensated trade receivable;
- the entity has the legal right to compensate the receivable with the liability in a short time after the receivable is overdue.

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3 BASIS OF ACCOUNTING (continued)

Accrual for commercial discounts to be granted after year end

Commercial discounts to be granted to customers after invoicing (off-invoice discounts) are included in the commercial policy in force for that year and are embedded in the customer order as annex. They are granted to customers in full if the payment deadline is met. At the time of issuing the sales invoice, the off-invoice discounts that are expected to be granted to customers are accrued based on an estimate prepared by management (taking also into account estimation uncertainty and expected credit losses recognized per policy above).

Taking into consideration the calculation method, the estimate is not sensitive to variations because it is calculated based on factual information existing at the end of the year.

(j) Cash and cash equivalents

In the statement of cash flows, "cash and cash equivalents" includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement.

Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in "Other non-current assets".

(k) Equity

Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Comapny's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements is authorised for issue.

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3 BASIS OF ACCOUNTING (continued)

(l) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non- current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Accrual for commercial discounts to be received after year end

Commercial discounts received from the suppliers after invoicing (off-invoice discounts) are included in commercial contracts and are granted following the fulfilment of contractual conditions, such as reaching the volume target, the distribution target (number of customers), the payment term.

As in previous periods the Company has fully complied with its contractual conditions and the objectives of the contract are achievable, it is in the Company policy to consider the off-invoice discounts from the suppliers virtually received.

(m) Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of the receivables from customers or (b) delivery of the goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT.

(n) Employee benefits

The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees for social security, health and pension benefits. All employees of the Company are members of the Romanian State pension plan, which is a defined contribution plan. These payments are recognised within the profit and loss together with the salary expenses.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss over the period of the borrowings using the effective interest method.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. The Company recognizes borrowing costs as an expense, unless there are qualifying assets identified to which the interest is capitalized.

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3 BASIS OF ACCOUNTING (continued)

(p) Leases

As a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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3 **BASIS OF ACCOUNTING (continued)**

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

The Company presents right-of-use assets that do not meet the definition of investment property in 'Right of use assets' and lease liabilities in 'Borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor (including for sub-renting agreements), it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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3 BASIS OF ACCOUNTING (continued)

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of "Revenue".

(q) Revenue recognition

Revenue from contracts with customers (with sales of goods and services, deductions from revenue). Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services provided, stated net of discounts, returns and value added taxes.

Revenue from sale of goods or revenue from services provided is recognised at the point in time when control of the asset is transferred to the customer, when delivery of the goods from the warehouse/at the customer's location is performed.

Revenue from goods sold are mainly from the sale of grains, inputs (pesticides, seeds, fertilizers and fuel), livestock and also include revenue from sale of finished goods produced in the Company's slaughterhouse (prior to demerger). Revenue from services relates mainly to warehousing from grains and other maintenance services.

Revenue is recognised when the company transfers to the buyer the control of the goods that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In making their judgement, the directors considered the criteria for the recognition of revenue from bill and hold arrangements set out in IFRS 15 and, in particular, whether the Company had transferred to the buyer the significant control of ownership of the goods. The directors are satisfied that the significant control has been transferred and that recognition of the revenue in the current year is appropriate.

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3 BASIS OF ACCOUNTING (continued)

In case of 'bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing, revenue is recognised when control is transferred to the buyer, provided:

- the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement);
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer

If delivery takes place subsequently to the issue of the invoice, a warehouse certificate, respectively a custody contract will be concluded, the stocks being therefore transferred to the buyer's property and consequently booked within an off balance sheet account. Transfer of risk and rewards for the sold cereals is set by the contract when deposit certificates are issued. Deposit certificates issued will contain the cereals sold, the quantities, the qualitative parameters and the location where these cereals are stored.

Variable consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue recognition requires the estimation of rebates that will be provided in respect of sales which have been made before the balance sheet date.

The Company grants to its customers the following types of commercial discounts:

- Trade discounts – on-invoice discounts, selling price is already affected by such discounts, no subsequent accounting entries are required to be made;
- Cash discounts - off-invoice discounts granted according to the commercial policy in force for the year. Such discounts are being entirely granted to the customers in case of compliance with contractual terms. Cash discounts result in the reduction of sales revenue earned during the period, and are booked at the time of sale according to an estimation.

(r) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method.

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3 BASIS OF ACCOUNTING (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a Company of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(s) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in Romania. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on eitherr the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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3 BASIS OF ACCOUNTING (Continued)

(t) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(u) Standards issued by not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing these financial statements.

Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at 31 December 2020 will be completed before the amendments become effective.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- hedge accounting.

Other standards
The following new and amended standards are not expected to have a significant impact on the Company's consolidated financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

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4 RESTATEMENTS MADE ON OPENING BALANCES AT 31 DECEMBER 2019

The following restatements were performed on the opening balances previously reported, as presented below:

Statement of financial position	31 December 2019 - as previously reported -	Restatement	31 December 2019 - restated -
Inventories *(a)*	57,493,725	205,224	57,698,949
Trade and other receivables *(a & c1)*	350,416,631	20,942,136	371,358,767
Assets classified as held for sale *(a)*	28,552,246	(21,652,622)	6,899,624
Total current assets	**437,987,147**	**(505,262)**	**437,481,885**
Total assets	**476,362,491**	**(505,262)**	**475,857,229**
Retained earnings	**76,973,227**	**(989,865)**	**75,983,360**
Trade and other payables *(b & c2)*	247,896,933	5,653,512	253,550,445
Contract liabilities *(b)*	6,100,280	686,914	6,787,194
Liabilities directly associated with the assets held for sale *(b)*	5,855,822	(5,855,822)	-
Total current liabilities	**346,562,426**	**484,603**	**347,047,031**
Total liabilities	**364,989,157**	**484,603**	**365,473,762**
Total equity and liabilities	**476,362,491**	**(505,262)**	**475,857,229**

Statement of profit and loss and other comprehensive income	31 December 2019 - as previously reported -	Restatement	31 December 2019 - restated -
Revenue *(d)*	1,090,154,005	18,992,666	1,109,146,671
Cost of sales *(d & e)*	(974,298,166)	(61,868,666)	(1,036,166,832)
Cost of distribution *(e & f)*	(43,777,819)	43,777,819	-
Impairment loss on trade and other receivables *(f)*	-	(1,301,577)	(1,301,577)
Gross profit	**72,078,110**	**399,848**	**71,678,262**
Administrative expenses *(g)*	(21,917,038)	(84,756)	(22,001,794)
Other gains/(losses) – net *(h)*	7,918,072	(7,918,072)	-
Other expenses *(h)*	-	(1,180,817)	(1,180,817)
Other income *(h)*	-	249,398	249,398
Operating profit (loss)	**58,079,144**	**(9,334,095)**	**48,745,049**
Finance income *(i)*	11,709,218	(11,509,428)	199,790
Finance costs *(i)*	(29,972,431)	11,509,428	(18,463,002)
Net finance costs	**(18,263,213)**	**-**	**(18,263,212)**
Profit before tax	**39,815,931**	**(9,334,095)**	**30,481,837**

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Statement of profit and loss and other comprehensive income	31 December 2019 - as previously reported -	Restatement	31 December 2019 - restated -
Income tax expense (j)	(4,611,931)	699,174	(3,912,757)
Profit from continuing operations	**35,204,000**	**(8,634,920)**	**26,569,080**
Profit/(Loss) from discontinued operations, net of tax (k)	**(4,479,654)**	**8,150,318**	**3,670,664**
Profit for the period	**30,724,346**	**(484,603)**	**30,239,744**
Total comprehensive income for the period	**31,138,267**	**(484,603)**	**30,653,664**

Statement of cash flows	31 December 2019 - as previously reported -	Restatement	31 December 2019 - restated -
Profit for the period from continuing operations (*h & j & c2*)	35,204,001	(8,634,921)	26,569,080
Profit/Loss for the period from discontinued operations (*h & j*)	(4,479,654)	8,150,318	3,670,664
Fair value loss recognised through profit and loss	-	59,781	59,781
Loss on revaluation of land and buildings recognised through P&L	59,781	(59,781)	-
Unrealized net foreign exchange differences *(l)*	2,142,669	64,657	2,269,713
Impairment of receivables *(m & o)*	204,923	(443,987)	(239,064)
Valuation adjustment for non-current assets reclassified as held for sale (n)	1,631,954	(1,631,954)	-
Write down of inventory (o)	-	4,180,415	4,180,415
(Gain)/Loss from the sale of tangible assets (n)	(9,044,481)	1,691,871	(7,352,610)
(Gain)/Loss from inventories quantitative and qualitative differences (o)	5,358,406	(5,358,406)	-
Interest income	(36,237)	(74,529)	(110,766)
Interest expense	4,879,701	(43,649)	4,836,052
Operating profit before changes in working capital	**50,155,359**	**(2,100,188)**	**48,055,171**

Statement of cash flows	31 December 2019 - as previously reported -	Restatement	31 December 2019 - restated -
Increase / (decrease) in trade and other receivables *(m & o)*	(72,350,321)	1,621,979	(70,728,342)
Increase / (decrease) in trade and other payables *(q & t)*	32,638,096	(7,734,876)	24,903,220
Cash used in operations	**8,776,855**	**(8,213,085)**	**563,770**
Interest paid	(4,879,701)	43,649	(4,836,052)
Interest received	36,237	74,529	110,766
Cash used in operating activities	**(4,182,374)**	**(8,094,907)**	**(12,277,281)**
Payments for acquisitions of property, plant and equipment and intangible assets	(3,434,954)	198,807	(3,236,147)
Proceeds from sale of Property, pland and equipments and Assets held for sale	39,087,084	(265,904)	38,821,180
Proceeds related to demerger *(r)*	-	20,798,672	20,798,672
Receipts from finance lease receivable *(s)*	-	1,232,374	1,232,374
Cash generated from investing activities	**35,652,130**	**21,963,949**	**57,618,564**
Repayment of borrowings *(s)*	-	(15,508,261)	(15,508,261)
Proceeds from borrowings *(s)*	(14,275,887)	14,275,887	-
Factoring and other financial expenses paid *(t)*	-	(12,623,466)	(12,623,466)
Dividends paid	(10,854,398)	(13,202)	(10,867,600)
Cash generated from financing activities	**(32,329,671)**	**(13,869,042)**	**(46,198,713)**

a) Inventories in amount of RON 205,224 and Trade and other receivables in amount of RON 21,447,398 were reclassified from Assets classified as held for sale to Inventories and, respectively to Trade and other receivables to correct a misclassification in the prior year, as it was identified by management they had not been intended to be realized through a single sale transaction of an identified disposal group, but rather through continuing use (i.e receivables were collected from debtors and inventories were sold in the ordinary course of business);

b) Trade and other payables in amount of RON 5,168,509 and Contract liabilities in amount of RON 686,914 were reclassified from Liabilities directly associated with the assets held for sale to Trade and other payables and respectively, to Contract liabilities to correct a misclassification in the prior year, as they were not realized through a sale but rather through continuing use (i.e payables were settled as well via cash);

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4 **RESTATEMENTS MADE ON OPENING BALANCES AT 31 DECEMBER 2019 (continued)**

c) There were two corrections of errors recognized in Retained earnings at 31 December 2019:
   1) First correction relates to IFRS 9 ECL computation, in amount of RON 505,262 with an impact also in the Trade and other receivables line presented in the table above. This error was due to a mismatch in the total amount presented in the financial statements compared to the total amount in the IFRS 9 ECL computation spreadsheet;
   2) Second correction relates to Untaken holiday provision, in amount of RON 484,603, which also impacts the Trade and other payable line presented in the table above, with corresponding expense discussed at points e) and g) below. The Company identified that the provision was understated by this amount and corrected accordingly comparative information, also with effect on prior period profit and loss.

d) Revenue and Cost of sales for 2019 were both understated with the value of the vouchers granted to customers, respectively received from suppliers, in amount of RON 18,992,666, due to incorrect application of agent vs principal accounting principles;

e) Cost of distribution is presented in the same line as Cost of sales for the year ended 31 December 2020 and comparative figures are restated as a result. In addition, Cost of sales for the comparative period included an additonal amount of RON 399,848 representing provision for untaken holiday discussed in point c2) above;

f) Impairment loss on trade and other receivables is presented as a separate line as at 31 December 2020 whereas as at 31 December 2019 the amount corresponding to this line was previously included in line Cost of distribution;

g) Administrative expenses are restated with provision for untaken holiday in amount of RON 84,756 discussed in point c2) above;

h) Other expenses and Other income were presented as one line as at 31 December 2019 ("Other gains/losses") whereas as at 31 December 2020 the amounts were separately presented in the Statement of profit and loss and other comprehensive income. At the same time, the amount of RON 8,849,492 corresponding to sale of fixed assets from discontinued activities were reclassified from continuing activities to discontinued activities;

i) Foreign exchange losses in amount of RON 11,509,428 were netted off from both captions "Finance income" and "Finance costs" as at 31 December 2020 and comparative figures were restated as a result;

j) Income tax credit in amount of RON 699,174 was reclassified from continuining to discontinued operations due to the fact that in the previous period no income tax was computed for the discontinued operations;

k) Profit from continuing operations was impacted by reclassification of income tax applicable to the discontinued activities as presented in point j) above, from adjustement regarding provision for untaken holiday discussed at point c2) above and also by the reclassification of gain from sale of fixed assets discussed at point h) above;

l) Unrealized net foreign exchange differences was influenced by the restatements below m) thru r);

m) At 31 December 2019 the line called "Impairment of receivables" presented in the cash-flow statement included actually impairment of current assets (trade and other receivables and inventories) and did not reconcile with movements presented in the notes to the financial statements. The restatement performed includes reclassification of write-down and reversal

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of write-down of inventories to a separate line (see comment o) below), and reconciliation of the remaining amount for impairment of trade and other receivables against movement presented in the notes to the financial statements;

n) "Valuation adjustment for non-current assets reclassified as held for sale" and "(Gain)/Loss from the sale of tangible assets" were both overstated by calculating depreciation after an asset has been classified as held for sale (incorrect application of IFRS 5);

o) The line "(Gain)/Loss from inventories quantitative and qualitative differences" presented in the previous period in the cash-flow was changed into "Write down of inventory ", and correction was made in order to reconcile the amount presented in the cash-flow statement against movements in the Statement of Profit or Loss and Other comprehensive income; Also a correction of RON 1,688,409 regarding provision of inventory transferred to Abatorul Peris SA at demerger was registered on this line;

p) The line "Fair value loss recognised through profit and loss" presented above comprises 2 lines presented in the Cash Flow in the previous period: "Fair value loss recognised through profit and loss" and "Valuation adjustment for non-current assets reclassified as held for sale"; also there's an impact from a correction related to non-current asset provision in amount of RON 67,097 which is included also in the line "Payments for acquisitions of property, plant and equipment and intangible assets" presented above;

q) Increase / (decrease) in trade and other payables is modified with the impact of the adjustements c2) and p).

r) Proceeds received from Abatorul Peris as a consequence of the demerger have been reclassified from "Increase/(decrease) in trade and other payables" to a separate line in investing cash-flow to correct a previous misclassification;

s) Receipts from finance lease receivable in amount of RON 1,232,374 was presented in a separate line from "Repayments of borrowings" to correct a previous misclassification; At the same time "Repayments of borrowings" were incorrectly presented under the caption "Proceeds from borrowings"

t) Factoring and other financial expenses paid in amount of RON (12,579,194) were presented in cash-flow in financing activities to correct a previous misclassification within "Increase/(decrease) in trade and other payables".

5 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 q) Revenue recognition

Note 3 p) Leases: lease term – whether the Company is reasonably certain to exercise extension options.

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5 USE OF JUDGEMENTS AND ESTIMATES (continued)

Assumptions and estimation uncertainties

Note 3 a) Estimation of fair values of land and buildings and investment property;
Note 3 i) measurement of ECL allowance for trade receivables;
Note 3 i) Accrual for discounts to be granted after year end;
Note 3 l) Accrual for discounts to be received after year end;
Note 3 s) recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

Measurement of fair values

A number of the Company's accounting policies require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods listed below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

31 December 2020	Note	Carrying amount: Loans and receivables	Carrying amount: Other financial liabilities	Carrying amount: Total	Fair value: Level 3	Fair value: Total
Financial assets not measured at fair value						
Trade and other receivables *	*11*	379,349,038	-	379,349,038		
Other non-current assets	*11*	18,827,134	-	18,827,134	18,827,134	18,827,134
Finance lease receivable from related parties	*28*	979,970	-	979,970		
Total		**399,156,142**	-	**399,156,142**	**18,827,134**	**18,827,134**
Financial liabilities not measured at fair value						
Borrowings	*16*	-	55,029,023	55,029,023	52,894,781	52,894,781
Trade and other payables **	*18*	-	278,986,634	278,986,634		
Total		-	**334,015,657**	**334,015,657**	**52,894,781**	**52,894,781**

** excluding prepayments, advances for inventories and advances to suppliers*

*** excluding Salaries and related taxes, Value added tax and Other current Liabilities*

31 December 2019	Note	Carrying amount: Loans and receivables	Carrying amount: Other financial liabilities	Carrying amount: Total	Fair value: Level 3	Fair value: Total
Financial assets not measured at fair value						
Trade and other receivables *	*11*	365,497,635	-	365,497,633		
Other non-current assets	*11*	18,274,203	-	18,274,203	18,274,203	18,274,203
Finance lease receivable from related parties	*28*	2,252,650	-	2,252,650		
Total		**386,024,488**	-	**386,024,486**	**18,274,203**	**18,274,203**
Financial liabilities not measured at fair value						
Borrowings	*16*	-	82,477,975	82,477,975	81,076,340	81,076,340
Trade and other payables **	*18*	-	242,547,441	242,547,441		
Total		-	**325,025,416**	**325,025,416**	**81,076,340**	**81,076,340**

6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

Risk management

The risk management function within the Company is carried out in respect of financial risks (credit, market, geographical, currency, liquidity and interest rate), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

Credit risk

Financial assets, which potentially subject the Company to credit risk, consist principally of cash and cash equivalents, trade and other current and non-current receivables. The Company has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. The Company analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

The carrying amount of accounts receivable and other non-current receivables, net of bad debt allowance, and cash and cash equivalents, represent the maximum amount exposed to credit risk.

The Company evaluates significant exposures individually, based on the age of the receivable balances, external evidence of the credit status of the counterparty and any disputed amounts.

The credit risk on cash and cash equivalents is very small, since cash and cash equivalents are placed with financial institutions which are considered at time of deposit to have minimum risk of default. Furthermore, the Company has policies that limit the amount of credit exposure to any financial institutions with total balance at 31 December 2020 being 681,520 RON (31 December 2019: 450,649 RON).

Market risk

The Company takes on exposure to market risks. Market risks arise from open positions in foreign currencies and interest bearing assets and liabilities. Management monitors the exposure to the risks, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

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6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro ("EUR") and US dollar ("USD"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

The table below summarises the Company's exposure to foreign currency exchange rate risk at the balance sheet date:

	At 31 December 2020			At 31 December 2019		
	Monetary financial assets	Monetary financial liabilities	Net balance sheet Position	Monetary financial assets	Monetary financial liabilities	Net balance sheet Position
EUR	246,206	(35,471,517)	(35,225,311)	2,576,192	(50,987,742)	(48,411,550)
USD	94,127	(8,018,122)	(7,923,995)	950,642	(11,240,410)	(10,289,768)
TRY	48	-	48	64	-	64
	340,381	(43,489,639)	(43,149,258)	3,526,898	(62,228,152)	(58,701,254)

The above analysis includes only monetary assets and liabilities.

The annual average EUR rate as of 31 December 2020 strengthened against RON compared to 31 December 2019 by 1.9%.

The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the balance sheet date relative to the Company's functional currency, with all other variables held constant:

	2020	2019
EUR	4.8694	4.7793
USD	3.9660	4.2608

Impact on profit/(loss) of:	2020
EUR strengthening by 2.5%	(880,633)
	2019
EUR strengthening by 2.5%	(1,210,289)

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6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

Impact on profit/(loss) of:	**2020**
USD strengthening by 2.5%	(198,100)
	2019
USD strengthening by 4.6%	(473,329)

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Company. For 31 December 2020, the percentage used for the impact was computed using publicly available information, from reputable national financial analysts.

As at 31 December 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been RON 906,417 lower/higher (31 December 2019: RON 1,186,029 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources. Liquidity risk is managed by Controlling Department of the Company. Management monitors monthly rolling forecasts of the company's cash flows until the year end.

The tables below show liabilities at 31 December 2020 and at 31 December 2019 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows.

Such discounted cash flows differ from the amount included in the statement of financial position because the balance sheet amount is based on undiscounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the date of the interim condensed financial statements.

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6 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

Management receives monthly net cash flow analysis for managing liquidity risk.

The maturity analysis of contractual undiscounted cash flow related to financial liabilities at 31 December 2020 and 31 December 2019 is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At 31 December 2020				
Borrowings (including lease liabilities, excluding interest)	47,270,446	15,042,928	5,209,507	67,522,881
Interest payable (borrowings and lease liabilities)	1,034,871	411,033	57,067	1,502,971
Trade and other payables*	278,986,634	-	-	278,986,634
Total	327,291,951	15,453,961	5,266,574	348,012,486
At 31 December 2019				
Borrowings (excluding interest)	82,368,997	8,458,009	8,308,750	99,135,756
Interest payable	1,829,534	214,336	13,232	2,057,102
Trade and other payables (restated)*	242,547,441	-	-	242,547,441
Total	326,745,972	8,672,345	8,321,982	343,740,299

** excluding Salaries and related taxes, Value added tax and Other current Liabilities*

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7 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to comply with banks capital requirements through covenants.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company has to maintain certain conditions, related to its capital, which are imposed by contracts concluded with financing banks.

The covenants are computed based on IFRS standalone financial statements of the Company.

The covenants for the Company are:

- Current Ratio
- Short Term Borrowings Ratio
- Debt Ratio
- Gearing Ratio
- Interest Coverage Ratio
- Solvency Ratio

The Company is in compliance with all covenants at 31 December 2020. The loan covenants of the Company are computed based on these financial statements and are calculated using **both continuing and discontinued activities**, as follows:

1. Current ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 restated
Current ratio A/B		**1.29**	**1.26**
A. Current assets	SOFP	441,767,930	437,481,885
B. Current liabilities	SOFP	341,566,480	347,047,031

2. Short term borrowing ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 restated
Short term borrowing ratio A/B		**4.05%**	**5.76%**
A. Short Term Borowing	SOFP	47,270,446	82,368,999
B. Revenue	SOPL,13	1.166.318.173	1,429,351,110

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7 CAPITAL RISK MANAGEMENT (continued)

3. Debt ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 restated
Debt ratio A/B		1.20	1.54
A. Total Net Debt *	SOFP	66,841,361	98,685,107
B. EBITDA	13, 29	55,531,311	63,876,412

*Total net debt is calculated as total Borrowings less Cash and cash equivalents

4. Gearing ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 Restated
Gearing ratio A/B		0.58	0.90
A. Total Debt	SOFP	67,522,881	99,135,756
B. Total equity	SOFP	115,614,082	110,383,467

5. Interest coverage ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 Restated
Interest coverage ratio A/B		18.03	13.09
A. EBITDA	13, 29	55,531,311	63,876,412
B. Interest expense	13, 24	3,079,772	4,879,701

6. Solvability ratio computation is presented below:

	Note(s)	31 December 2020	31 December 2019 Restated
Solvability ratio A/B		24.19%	23.20%
A. Total Equity	SOFP	115,614,082	110,383,467
B. Total Assets	SOFP	477,924,547	475,857,229

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8 PROPERTY, PLANT AND EQUIPMENT

Movements in the carrying amount of property, plant and equipment were as follows:

	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Construction in progress	Total
Cost or valuation	60,972,839	34,895,320	2,538,216	1,496,795	99,903,170
Accumulated depreciation	(5,826,921)	(14,226,162)	(755,235)	-	(20,808,318)
Impairment	(4,371)	(2,954)	-	-	(7,325)
Net book value at 1 January 2019	**55,141,547**	**20,666,204**	**1,782,981**	**1,496,795**	**79,087,527**
Additions	69,116	345,105	207,368	1,200,795	1,822,384
Disposals	(31,189,499)	(10,683,359)	(322,102)	(10,801)	(42,205,761)
Transfers	1,254,421	-	-	(1,254,421)	
Depreciation charge	(1,990,457)	(1,274,950)	(225,858)	-	(3,491,265)
Revaluation	354,141	-	-	-	354,141
Accumulated Depreciation of Disposals	5,498,864	8,526,142	283,669	-	14,308,675
Transfer to Assets classified as held for sale					
- Gross book value	(8,136,722)	(2,374,802)	(22,977)	-	(10,534,501)
- Accumulated depreciation	1,253,747	1,752,911	3,915	-	3,010,573
Demerger					
- Gross book value	(21,549,555)	(20,303,386)	(741,685)	(1,229,793)	(43,824,419)
- Accumulated depreciation	695,716	4,217,105	217,284	-	5,130,105
Transfer to Right of Use Assets					
- Gross book value	-	(499,066)	-	-	(499,066)
- Accumulated depreciation	-	74,310	-	-	74,310
Net book value at 31 December 2019	**1,401,319**	**446,214**	**1,182,595**	**202,575**	**3,232,703**
Cost or valuation	1,774,741	1,379,812	1,658,820	202,575	5,015,948
Accumulated depreciation	(369,051)	(930,644)	(476,225)	-	(1,775,920)
Impairment	(4,371)	(2,954)	-	-	(7,325)
Net book value at 31 December 2019	**1,401,319**	**446,214**	**1,182,595**	**202,575**	**3,232,703**

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8 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Construction in progress	Total
Cost or valuation	1,774,741	1,379,812	1,658,820	202,575	5,015,948
Accumulated depreciation	(369,051)	(930,644)	(476,225)	-	(1,775,920)
Impairment	(4,371)	(2,954)	-	-	(7,325)
Net book value at 1 January 2020	**1,401,319**	**446,214**	**1,182,595**	**202,575**	**3,232,703**
Additions	55,771	945,009	110,916	-	1,111,696
Disposals at cost	(3,238)	(226,125)	(6,588)	(185,179)	(421,130)
Accumulated Depreciation of Disposals	-	195,999	-	-	195,999
Depreciation charge	(339,992)	(257,889)	(204,337)	-	(802,218)
Transfer to Assets classified as held for sale					
- Gross book value	(63,066)	-	-	-	(63,066)
- Accumulated depreciation	-	-	-	-	-
Net book value at 31 December 2020	**1,050,794**	**1,103,208**	**1,082,586**	**17,396**	**3,253,984**
Cost or valuation	1,764,208	2,098,696	1,763,148	17,396	5,643,448
Accumulated depreciation	(709,043)	(992,534)	(680,562)	-	(2,382,139)
Impairment	(4,371)	(2,954)	-	-	(7,325)
Net book value at 31 December 2020	**1,050,794**	**1,103,208**	**1,082,586**	**17,396**	**3,253,984**

As at 31 December 2020, the gross book value of the property, plant and equipment fully depreciated is of RON 1,108,216 (31 December 2019: RON 2,925,244).

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8 PROPERTY, PLANT AND EQUIPMENT (continued)

Subsequent measurement of the Company's freehold land and buildings

The Company's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The revaluation of the Company's freehold land and buildings was last performed as at 31 December 2019, by Deloitte Consultanta SRL, independent valuers not related to the Company. Deloitte Consultanta SRL is a corporate member of National Association of Valuers from Romania and they have appropriate qualifications and experience in the fair value measurement of properties in the relevant locations.

The revalued non-current assets consisted of freehold land occupied with constructions, buildings and agro-industrial buildings for the reception/ handling of crops.

If the company's land and building would not have been revalued, as at 31 December 2020, the net book value would have been RON 614,295.

The approach and the methods of revaluation were established considering the revalued asset's nature, the quantity and quality of the available information and the purpose of the revaluation process. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties and the fair value of the buildings was determined using the cost approach that reflects the replacement cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Borrowings (Note 16) are secured against Property, plant and equipment and Assets held for sale with a carrying value of RON 0 (2019: RON 6,946,866).

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9 INTANGIBLE ASSETS

	Trademarks	Licences	Total
1 January 2019			
Gross book value	1,146,110	9,079,879	10,225,989
Accumulated amortization	(814,183)	(7,580,147)	(8,394,330)
Net book value at 1 January 2019	**331,927**	**1,499,732**	**1,831,659**
Net book value at 1 January 2019	**331,927**	**1,499,732**	**1,831,659**
Additions	41,099	820,010	861,109
Demerger	(147,662)	(1,531,326)	(1,678,988)
Disposals	(300,376)	(754,738)	(1,055,114)
Accumulated Depreciation of Disposals	260,774	760,940	1,021,714
Accumulated amortization of assets demerged	93,632	762,562	856,194
Amortization charge	(102,996)	(512,276)	(615,272)
Net book value at 31 December 2019	**176,398**	**1,044,904**	**1,221,302**
Gross book value	739,171	7,613,825	8,352,996
Accumulated amortization	(562,773)	(6,568,921)	(7,131,694)
Net book value at 31 December 2019	**176,398**	**1,044,904**	**1,221,302**

	Trademarks	Licences	Total
1 January 2020			
Gross book value	739,171	7,613,825	8,352,996
Accumulated amortization	(562,773)	(6,568,921)	(7,131,694)
Net book value at 1 January 2020	**176,398**	**1,044,904**	**1,221,302**
Net book value at 1 January 2020	**176,398**	**1,044,904**	**1,221,302**
Additions	232,680	1,487,319	1,719,999
Disposals	(6,190)	(1,312)	(7,502)
Accumulated amortization of Disposals	3,663	1,312	4,975
Amortization charge	(91,221)	(372,485)	(463,706)
Net book value at 31 December 2020	**315,330**	**2,159,738**	**2,475,068**
Gross book value	965,661	9,099,832	10,065,493
Accumulated amortization	(650,331)	(6,940,094)	(7,590,425)
Net book value at 31 December 2020	**315,330**	**2,159,738**	**2,475,068**

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10 INVENTORIES

	31 December 2020	31 December 2019 restated
Goods purchased for resale	43,920,503	40,856,514
Write-down of Goods purchased for resale	(866,836)	(1,121,694)
Inventories at third parties	12,267,363	17,453,612
Packaging, spare parts and other consumables	541,958	602,353
Write-down of Packaging, spare parts and consumables	-	(91,836)
Total inventories	**55,862,988**	**57,698,949**

Inventories held at third parties are mostly fertilizers which are directly delivered from the Company's warehouse to the customers. Goods purchased for resale are represented mainly by pesticides, seeds and fertilisers. Part of bank borrowings are guaranteed by pledge on part of inventories (Note 16).

As at 31 December 2020, the inventories held for third parties in the Company's warehouse were in amount of:

- Fertilizers RON 12,038,534 (31 Dec 2019: RON 9,709,778)
- Pesticides RON 187,559,407 (31 Dec 2019: RON 198,267,384)
- Seeds RON 51,281,896 (31 Dec 2019: RON 53,691,688)

From the total amount in balance as at 31 December 2019 of RON 57,698,949 an amount of 205,224 RON was reclassified from caption Assets classified as held for sale.

Write-down of Inventories	**31 December 2020**	**31 December 2019**
Opening balances	**(1,213,530)**	**(4,079,929)**
Write-down of inventories	(3,377,100)	(2,669,668)
Reversal of write-down of inventories	3,723,794	3,847,658
Demerger	-	1,688,409
Closing balances	**(866,836)**	**(1,213,530)**

Additionally, the company recognized directly in the P&L losses from inventories, separate from the amounts presented above in amount of RON 284,600 (2019: RON 5,358,405). These amounts are presented in the caption *"(Gain)/loss from inventories quantitative and qualitative differences"* (see notes 13 and 21).

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11 TRADE AND OTHER RECEIVABLES

	31 December 2020	31 December 2019 restated
Trade receivables	400,621,307	377,058,756
Less: allowance for impairment of trade receivables	(34,259,764)	(31,647,977)
Trade receivables – net	**366,361,543**	**345,410,779**
Receivables from related parties (note 28)	23,300,368	14,757,470
Loans to related parties (note 28)	-	1,610,168
Other receivables	14,483,993	27,865,508
Less: allowance for impairment of other receivables	(5,969,732)	(5,872,087)
Total financial assets	**398,176,172**	**383,771,838**
Prepayments	1,926,718	1,154,992
Advances for inventories	2,984,285	3,307,266
Advances to suppliers	40,929	1,398,874
Other non-financial assets	**4,951,932**	**5,861,132**
	403,128,104	**389,632,970**
Less non-current portion:		
Other receivables from related parties	13,535,069	8,482,739
Other receivables	5,292,065	9,791,464
Total other non-current assets	**18,827,134**	**18,274,203**
Current portion	**384,300,970**	**371,358,767**

Allowance for impairment of trade and other receivables	31 December 2020	31 December 2019
Opening balance	(37,520,064)	(43,167,777)
Demerger	-	5,408,649
Impairment of receivables	(4,954,258)	-
Reversal of impairment of receivables	2,244,826	239,064
Closing balance	**(40,229,496)**	**(37,520,064)**

Additionally, the company recognized directly in the SOPL impairment of receivables, separate from the amounts presented above in amount of RON 1,062,052 (2019: RON 1,540,641).

From the total amount in balance as at 31 December 2019 of RON 371,358,767 an amount of RON 20,942,136 was reclassified from caption Assets classified as held for sale.

Other receivables classified as at 31 December 2020 and as at 31 December 2019 as a non-current other receivables refer to receivables from fixed assets sold with payment term above one year, the maximum payment term being 2023. The amounts are discounted using market approach. The long-term receivables are guaranteed by pledges on the silos sold, and in case of default on payments Agricover SA would regain posesion of the silos.

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11 TRADE AND OTHER RECEIVABLES (continued)

Receivables from related parties represent the discounted amount corresponding to long term receivables obtained from the sale of assets classified as held for sale.

Part of bank borrowings are guaranteed by mortgage on trade receivables (note 16).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2020	Not due	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	> 365 days	Total
ECL rate (%)	0.178	2.194	9.696	11.317	21.805	48.064	97.206	8.552
Trade receivables net of discounts	342,817,631	6,756,411	2,919,338	6,737,300	10,172,766	217,237	31,000,624	400,621,307
ECL	608,844	148,222	283,070	762,458	2,218,153	104,412	30,134,605	34,259,764

31 December 2019	Not due	0-30 days	31-60 days	61-90 days	91-180	181 - 365	> 365	Total
ECL rate (%)	0.285	1.909	3.483	6.754	11.051	26.370	100.000	8.393
Trade receivables net of discounts	331,535,059	2,430,992	3,034,903	5,001,810	4,977,809	565,271	29,512,912	377,058,756
ECL	945,989	46,397	105,702	337,828	550,088	149,061	29,512,912	31,647,977

The increase in allowance for impairment of trade and other receivables as at 31 December 2020 compared to 31 December 2019 is due to forward looking analysis performed by management (as required by IFRS 9) and due to impairment losses of RON 3,635,787 that were recorded on a small number of trade receivables, in the same amount, that were individually evaluated due to the identification of an increase in the risk of collectability for those individual customers. Collectability for these customers was based on management's expectation that no amounts would ultimately be recoverable from these customers based on an evaluation of their current financial situation. As at 31 December 2020, the amounts overdue above 365 days were not fully provisioned due to the fact that part of these were cashed-in by the Company in the period subsequent to year end.

The ECL rate computation as at 31 December 2019 included historical information from 31 December 2019 as well as prior periods 31 December 2018 and 31 December 2017; as at 31 December 2020, the prior periods used in the ECL rate computation were 31 December 2019 and 31 December 2018. The Company is using a segment approach when calculating ECL rates.

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12 CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
RON denominated balances with bank and cash on hand	633,615	389,512
Foreign currency balances with bank and cash on hand	47,905	61,137
Total	681,520	450,649

Bank borrowings are guaranteed by pledges on cash and cash equivalents (note 16).

13 DISCONTINUED OPERATIONS

On April 01, 2019 a demerger process that was started in September 2018 was completed, following which the pig slaughter house line of activity was transferred to a new company (Abatorul Peris SA) and the arrable lands, held by the Company as Investment Property, were transferred to a second company (Agriland Ferme SA). Furthermore, the Company decided to discontinue the Grains and Silo, and Milk activities.

In the financial statements the followings business lines are presented as discontinued: Slaughterhouse (2019 figures), Livestock (2019 figures), Grains and Silo (2019 figures), and Milk (2020 figures).

Statement of Profit and loss for both financial periods (2020 and 2019) present only a line related to discontinued operations in "Profit/(Loss) for the year from discontinued operations". The results of those business lines for the twelve months period ended 31 December 2020 are presented below:

	2020	2019
Revenue	26,596,374	320,204,439
Cost of sales	(27,153,077)	(319,216,018)
Impairment loss/gain on trade and other receivables	72,168	(81,336)
Gross loss	**(484,535)**	**907,085**
Administrative expenses	-	(2,835,128)
Other income	1,428	134,331
Other gains	115,549	7,365,117
Operating profit/loss	**(367,558)**	**5,571,405**
Finance income	-	-
Finance costs	(26,977)	(1,201,567)
Net finance costs	**(26,977)**	**(1,201,567)**
Profit/Loss before tax	**(394,535)**	**4,369,838**
Income tax credit/expense	134,744	(699,174)
Profit/Loss from discontinued operations	**(259,791)**	**3,670,664**

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13 DISCONTINUED OPERATIONS (continued)

During the 12 months period ended 31 December 2020, operating cash inflow from discontinued operation was RON 15,694,596, due to differences in payment terms between suppliers and customers (suppliers are paid faster by the Company than customers are paying the Company). EBITDA from discontinued operations is in amount of (355,884) RON as at 31 December 2020 (31 December 2019: 9,197,278 RON).

Assets classified as held for sale

	31 December 2020	31 December 2019 restated
Freehold land held for sale	-	275,330
Buildings held for sale	-	6,127,102
Vehicles and machinery held for sale	-	478,130
Furniture, fittings and equipment held for sale	-	19,062
Total	-	**6,899,624**

As at 31 December 2019, the amount is presented net of impairment in amount of RON 624,304. During 2020, the Company disposed of the assets located in Buzau. These properties was previously used in the Company's production and trading operations. Total proceeds from related parties from assets classified as held for sale as at 31 December 2020 is of RON 7,112,849 (31 December 2019 total proceeds: RON 60,138,147 out of which from related parties: RON 8,227,234).

COST OF SALES

Discontinued operations	**2020**	**2019 restated**
Merchandise	(25,801,255)	(271,854,527)
Write-down of inventories	-	(2,041,050)
Reversal of write-down of inventories	26,567	3,741,971
Cost of merchandise	**(25,774,688)**	**(270,153,606)**
Transport expenses	(308,570)	(11,516,486)
Employee cost	(788,078)	(16,362,392)
Rent expenses	(58,077)	(684,301)
Third party services	(47,953)	(3,082,336)
Maintenance expenses	(23,243)	(1,043,475)
Consumables expenses	(38,769)	(5,184,752)
Energy and water expenses	(21,007)	(1,780,807)
Insurance premium expenses	(46,578)	(251,053)
Bank charges	-	(1,707)
Taxes to the State Budget	(5,923)	(415,102)
Postal and telecommunication expenses	(2,656)	(87,212)
Protocol and publicity expenses	-	(40,036)
Depreciation	(11,674)	(3,470,018)
Travel	(50)	(73,464)
(Gain)/loss from inventories quantitative and qualitative differences	(25,811)	(5,069,271)
Total	**(27,153,077)**	**(319,216,018)**

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13 DISCONTINUED OPERATIONS (continued)

ADMINISTRATIVE EXPENSES

Discontinued operations	2020	2019 restated
Employee cost	-	(1,567,545)
Third party services	-	(252,660)
Energy and water expense	-	(31,422)
Rent expenses	-	(120,367)
Taxes to the State Budget	-	(390,938)
Protocol and publicity expenses	-	(28,608)
Maintenance expense	-	(80,356)
Insurance premium expenses	-	(50,100)
Postal and telecommunication expenses	-	(9,455)
Travel	-	(2,985)
Consumables expenses	-	(144,837)
Depreciation	-	(155,855)
Total	-	(2,835,128)

	2020	2019 restated
Other income		
Gain from disposal of non-current assets	112,896	7,347,915
Penalties and compensatory payments	2,653	17,202
Total	115,549	7,365,117

14 SHARE CAPITAL

All shares are subscribed, fully paid and carry equal voting rights. All shares have a nominal value of RON 0.10/share. There are no preference shares and no restrictions on shares. All issued shares are fully paid.

Dividends declared in 2020 are in amount of RON 24,371,992 (31 December 2019: RON 11,210,331) out of which RON 23,641,894 were paid until December 2020 (31 December 2019: RON 10,867,600).

The share capital structure as at December 31, 2020 and December 31, 2019 is as follows:

31 December 2020	No. of shares	Amount	Percentage (%)
Agricover Holding SA	90,640,534	9,064,053	86.62
ADAMA Agriculture B.V.	10,463,636	1,046,364	10.00
Other shareholders	3,532,191	353,219	3.38
Total	104,636,361	10,463,636	100

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14 SHARE CAPITAL (Continued)

31 December 2019	No. of shares	Amount	Percentage (%)
Agricover Holding SA	90,640,534	9,064,053	86.62
ADAMA Agriculture B.V.	10,463,636	1,046,364	10.00
Other shareholders	3,532,191	353,219	3.38
Total	**104,636,361**	**10,463,636**	**100**

15 REVALUATION RESERVES

As at 31 December 2019, land and buildings of the Company were revalued. The revaluation surplus was recognised in the revaluation reserves. If an asset's carrying amount was decreased as a result of a revaluation, the decrease was recognised in profit or loss. However, the decrease was recognised in other comprehensive income, to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Revaluation report was issued by Deloitte Consultanta SRL, corporate member of National Association of Valuers from Romania.

At 1 January 2019	92,386,494
Amounts transferred to realized revaluation reserves	(72,256,014)
Demerger	(168,571)
Increase in revaluation reserves	413,920
At 31 December 2019	20,375,829
At 1 January 2020	20,375,829
Amounts transferred to realized revaluation reserves	(19,381,947)
At 31 December 2020	993,882

16 BORROWINGS

	31 December 2020	31 December 2019
Non-current		
Bank borrowings	15,000,000	7,522,630
Lease liabilities	5,252,435	9,244,127
Total non-current borrowings	**20,252,435**	**16,766,757**
Current		
Bank borrowings	40,029,023	74,955,345
Lease liabilities	7,241,423	7,413,654
Total current borrowings	**47,270,446**	**82,368,999**
Total borrowings	**67,522,881**	**99,135,756**

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16 BORROWINGS(Continued)

Bank borrowings

At 31 December 2020 and 31 December 2019 the Company had the following borrowings:

Bank	31 December 2020	31 December 2019
ING medium term (withdrawn in RON)	15,000,000	6,216
ING medium term (withdrawn in USD)	-	7,516,413
BCR credit line (withdrawn in RON)	9,515,541	9,488,035
BRD credit line (withdrawn in EUR)	10,640,923	23,553,860
BRD credit line (withdrawn in RON)	6,630,808	25,567,022
Banca Transilvania credit line (withdrawn in RON)	13,241,751	16,345,624
Unicredit Bank credit line (withdrawn in EUR)	-	805
European Bank for Reconstruction and Development (EBRD)	-	-
Total	**55,029,023**	**82,477,975**

Unicredit Bank – Short term revolving facility

As of 31 December 2019, Agricover SA had a short-term credit line for working capital for a total value of EUR 979,400 and having the maturity on 2 October 2020. The credit line is guaranteed by pledges on inventories, trade receivables and current bank accounts.
The utilized amount as of 31 December 2020 is RON 0 (31 December 2019: RON 805).

Banca Comercială Română - Short term revolving facility

On 31 December 2020 Agricover SA had a revolving credit line for working capital purposes, for total value of RON 62,000,000 mature on 12 October 2022. The credit facility is secured by the Company's inventories, trade receivables and current bank accounts.
The utilized amount as of 31 December 2020 is of RON 9,515,541 (31 December 2019: RON 9,488,035).

BRD Group Société Générale – Short term revolving facility and loan

As of 31 December 2020, Agricover SA had a credit line for working capital for total value of EUR 12,000,000 mature on 31 August 2021. The borrowing is secured by the Company's inventories, trade receivables and current bank accounts.
The utilized amount as of 31 December 2020 was RON 17,271,731 (31 December 2019: RON 49,120,882).

Banca Transilvania – Credit ceiling

On 31 December 2020 Agricover SA has a credit ceiling of RON 40,000,000 with a maturity date on 15 August 2021, utilizable under revolving system as a credit line (RON), short term loan (RON) or guarantees/contra guarantees letters. The borrowing was secured by trade receivables and current bank accounts. As of 31 December 2020, the utilized amount from the credit line was RON 13,241,751 (31 December 2019: RON 16,345,624).

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17 **BORROWINGS(Continued)**

ING Bank N.V. - Medium term credit line

As of 31 December 2020, Agricover SA has a credit line for working capital financing purposes, for a total limit of RON 30,000,000, an amount that can be withdrawn in RON, EUR or USD, with a maturity on 30 October 2022. The facility is secured by a pledge on receivables, inventories and bank current accounts of the Company. As of 31 December 2020, the amount utilized was RON 15,000,000 (31 December 2019 RON 7,522,630).

European Bank for Reconstruction and Development (EBRD)

As of 31 December 2020, Agricover SA has an overdraft facility, for a total limit of EUR 10,000,000, an amount that can be withdrawn in EUR with a maturity on 3 November 2021.The facility is secured by a pledge on receivables, inventories and bank current accounts of the Company. As of 31 December 2020, the amount utilized was RON 0 (31 December 2019: not the case).

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2020	2019	2020	2019
Long term borrowings (excl. leases)	15,000,000	7,522,630	13,956,578	7,223,280

The carrying amounts and fair value of current borrowings are as follows:

	Carrying amount		Fair value	
	2020	2019	2020	2019
Current borrowings (excl. leases)	40,029,023	74,955,345	38,938,203	73,853,060

	Carrying amount		Fair value	
	2020	2019	2020	2019
Total borrowings (excl. leases)	55,029,023	82,477,975	52,894,781	81,076,340

The fair value hierarchy is Level 3.

Taking into consideration that the Company has a diversified mix of borrowings, we consider that for this calculation the effective interest rate of the Company loans is relevant.

The carrying amounts of the Company's borrowings (excluding leases) are denominated in the following currencies:

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16 BORROWINGS (continued)

Currency	31 December 2020	31 December 2019
RON	44,388,100	51,406,897
EUR	10,640,923	23,554,665
USD	-	7,516,413
Total borrowings (excl. leases)	**55,029,023**	**82,477,975**

All of the Company's borrowings (excl. leases) are at variable interest rates of Robor /Euribor//Libor 1M plus fixed margin.

The effective interest rate at the date of the financial statements is as follows:

	31 December 2020 (%)	31 December 2019 (%)
Bank borrowings	3.09	3.75

Loan movements in the twelve months period ended 31 December 2020 are presented below:

At 1 January	82,477,975	126,096,907
Withdrawals	7,477,370	-
Reimbursements	(35,193,353)	(15,508,261)
FX impact	267,031	1,870,,814
Demerger	-	(29,981,485)
At 31 December	55,029,023	82,477,975

The Company has the following undrawn borrowing facilities:

	31 December 2020	31 December 2019
Floating rate:		
expiring within one year	168,857,393	111,456,351
Expiring after one year	15,000,000	-

Lease liabilities movements in the twelve months period ended 31 December 2020 are presented below:

At 1 January 2020	**16,657,781**	**1,885,979**
New contracts	2,564,506	22,978,804
Payments in the period	(6,857,065)	(7,199,386)
FX impact	128,636	437,689
Demerger	-	(1,445,305)
At 31 December 2020	12,493,858	16,657,781

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17 LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The Company concluded operating lease agreements with PORSCHE MOBILITY SRL and LEASEPLAN ROMANIA SRL in order to acquire vehicles and machinery that are used by the Company in the normal course of the business. The average period of these agreements is 60 months. Main part of the lease liability balance relates to IFRS 16.

The Company also leases buildings that are used as headquarters or warehouses. The leases run for a period between 2 year and 5 years and there are several lease agreements where the Company has the option to renew the lease after the contractual period. A significant part of the leases were entered into force before 1 January 2019.

As at 31 December 2020, the Company has receivable related to finance lease which represents part of the headquarter and some vehicles sub-leased to related parties.

The sub-lease movements in the 12 months period ended 31 December 2020 and 31 December 2019 are presented below:

	31 December 2020	31 December 2019
Opening	2,252,650	3,410,500
Cash-in	(1,389,791)	(1,232,374)
Interest income	117,111	74,524
Closing balance	**979,970**	**2,252,650**

Right of use assets

	Buildings	Machinery& Equipment	Motor vehicles	Total
As at 01 January 2019	**8,252,054**	**1,108,459**	**2,496,586**	**11,857,099**
Additions	984,042	133,252	6,522,661	7,639,955
Transfer from PPE	-	424,756	-	424,756
Depreciation expense	(2,204,987)	(1,096,737)	(2,151,714)	(5,453,438)
As at 31 December 2019	**7,031,109**	**569,730**	**6,867,533**	**14,468,372**

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17 LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (continued)

	Buildings	Machinery& Equipment	Motor vehicles	Total
As at 01 January 2020	**7,031,109**	**569,730**	**6,867,533**	**14,468,372**
Additions	638,079	-	1,926,427	2,564,506
Depreciation expense	(2,429,610)	(479,937)	(2,580,428)	(5,489,975)
As at 31 December 2020	**5,239,578**	**89,793**	**6,213,532**	**11,542,903**

18 TRADE AND OTHER PAYABLES

	31 December 2020	31 December 2019 restated
Trade payables	231,508,717	210,452,372
Dividends	1,074,603	344,497
Salaries and related taxes	7,041,084	8,042,743
Payables to related parties (note 28)	46,387,128	31,644,671
Fixed assets suppliers	16,186	105,901
Value added tax payable	659,635	2,833,578
Other current liabilities	79,776	126,683
Total	**286,767,129**	**253,550,445**

From the total amount in balance as at 31 December 2019 in amount of RON 253,550,445, RON 5,168,908 were reclassified from caption Liabilities directly associated with the assets held for sale.

19 CONTRACT LIABILITIES

	31 December 2020	31 December 2019 restated
Advances received from customers	4,883,518	5,760,282
Deferred revenue	458,931	1,026,912
Total contract liabilities	**5,342,449**	**6,787,194**

From the total amount in balance as at 31 December 2019 of RON 6,787,194 an amount of RON 686,914 was reclassified from caption Liabilities directly associated with the assets held for sale.

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20 REVENUES

Continuing operations	2020	2019 restated
Revenue from sales of distributed goods	1,138,016,629	1,108,298,877
Revenue from rent	1,137,190	744,316
Revenue from services	567,980	103,478
Total	**1,139,721,799**	**1,109,146,671**

Revenue from sales of distributed goods are disclosed separately by segment of products:

	2020	2019 restated
Pesticides	361,445,260	333,004,637
Fuel	362,684,007	402,596,411
Fertilisers	237,612,196	250,527,213
Seeds	176,275,166	122,170,616
Total	**1,138,016,629**	**1,108,298,877**

21 COST OF SALES

Continuing operations	2020	2019 restated
Merchandise	(1,017,137,465)	(993,290,741)
Write-down of inventories	(3,377,100)	(628,618)
Reversal of write-down of inventories	3,697,228	105,687
Cost of merchandise	**(1,016,817,337)**	**(993,813,672)**
Transport expenses	(8,758,926)	(7,340,056)
Employees cost	(26,337,453)	(22,516,845)
Rent expenses	(334,318)	(628,049)
Third party services	(4,552,753)	(2,576,279)
Maintenance expenses	(1,027,990)	(971,245)
Consumables expenses	(2,432,863)	(2,858,514)
Energy and water expenses	(66,516)	(95,940)
Insurance premium expenses	(316,075)	(274,160)
Taxes to the State Budget	(113,635)	(51,307)
Postal and telecommunication expenses	(186,014)	(169,373)
Depreciation	(4,713,544)	(4,336,788)
Travel	(94,475)	(245,470)
(Gain)/loss from inventories quantitative and qualitative differences	(258,789)	(289,134)
Total	**(1,066,010,688)**	**(1,036,166,832)**

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21 COST OF SALES (continued)

The cost with merchandise without write-downs/reversal of write-downs are disclosed separately by segment of products:

Continuing operations	2020	2019
Pesticides	(279,847,678)	(254,498,106)
Fuel	(358,211,386)	(398,424,889)
Fertilisers	(215,176,737)	(227,201,102)
Seeds	(163,901,664)	(113,166,644)
Total	**(1,017,137,465)**	**(993,290,741)**

22 ADMINISTRATIVE EXPENSES

Continuing operations	2020	2019 restated
Employees cost	(11,165,007)	(11,137,795)
Third party services	(2,048,127)	(2,541,073)
Energy and water expense	(85,548)	(92,192)
Rent expenses	(1,897,603)	(1,551,179)
Taxes to the State Budget	(183,082)	(332,963)
Protocol and publicity expenses	(1,412,325)	(2,058,589)
Maintenance expense	(1,253,120)	(1,361,530)
Insurance premium expenses	(82,258)	(164,164)
Postal and telecommunication expenses	(195,047)	(199,846)
Travel	(11,028)	(43,584)
Consumables expenses	(520,912)	(616,651)
Bank charges	(534,422)	(304,931)
Depreciation	(2,030,684)	(1,597,297)
Total	**(21,419,163)**	**(22,001,794)**

23 OTHER INCOME AND OTHER EXPENSES

Continuing operations	2020	2019 restated
Other income		
Gain from disposal of non-current assets	-	4,695
Penalties and compensatory payments	529,074	58,876
Income from other services	950,594	-
Reinvoicing – net	-	81,740
Other gains/losses – net	2,335	104,087
Total	**1,482,003**	**249,398**

23 OTHER INCOME AND OTHER EXPENSES (continued)

Other expenses		
Reinvoicing – net	(3,120)	-
Donations and sponsorships	(856,381)	(1,180,817)
Total	**(859,501)**	**(1,180,817)**

24 NET FINANCE COSTS

	2020	2019 restated
Interest expenses related to bank borrowings	(2,777,435)	(3,251,601)
Interest expense related to leases	(275,362)	(382,884)
Foreign exchange losses	(1,108,382)	(2,205,051)
Other financial expenses	(4,444,124)	(3,919,980)
Factoring commission	(7,298,564)	(8,703,486)
Finance costs	**(15,903,867)**	**(18,463,002)**
Financial discounts received	55,789	89,010
Interest income	774,719	110,766
Other financial revenues	-	14
Finance income	**830,508**	**199,790**
Net finance costs	**(15,073,359)**	**(18,263,212)**

Factoring commission - for the twelve months period ended 31 December 2020, the turnover of the invoices to which these commissions relate to are in amount of RON 97,539,831 (2019: RON 105,778,141).

25 INCOME TAXES

Income tax expense comprises the following:

	2020	2019
Current tax expense	(5,240,890)	(8,883,693)
Deferred income tax benefit	1,168,424	4,271,762
Net income tax expense	**(4,072,466)**	**(4,611,931)**

The Company recognizes income taxes at the rate of 16% on profits computed in accordance with Romanian tax legislation.

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25 INCOME TAXES (continued)

Profit before taxation for financial reporting purposes is reconciled to tax expense as follows:

	2020	2019
Profit before tax	**33,675,073**	**34,851,675**
Theoretical tax charge at 16% tax rate	5,388,012	5,576,268
Tax effect of items which are not deductible or assessable for taxation purposes:		
Income not subject to tax (*)	(1,673,804)	(1,715,365)
Expenses not deductible for tax purposes (**)	1,413,242	2,265,058
Annual tax credit relating to sponsorship	(856,381)	(1,180,817)
Legal reserves	-	(146,813)
Fiscal facility(***)	(198,603)	(186,400)
Tax charge	**4,072,466**	**4,611,931**

(*) Income not subject to tax contain mainly reversal of write-down of inventories, reversal of impairment loss in trade and other receivables, that acording to Romanian Fiscal Code are not subject to tax

(**) Expenses not deductible for tax purposes contain mainly write-down of inventories, impairment loss on trade and other receivables, that according to Romanian Fiscal Code are not deductible for tax purpose.

(***) The fiscal facility includes the amount of RON 198,603 representing a bonus for prepayment

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax movement	12 months 2020	12 months 2019
At 1 January	1,659,974	5,931,736
Charged/(credited) to other statement of profit and loss	(1,168,424)	(4,271,762)
At 31 December	491,550	1,659,974

During 2019 the Compay's financials were subject to a fiscal inspection but there was no additional income tax expense or VAT payable to be recorded. During 2020, no fiscal inspections were performed.

Taxation

The Romanian taxation system has just undergone a process of consolidation and harmonisation with European Union legislation. However, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties. In Romania, tax periods remain open for 5 years. The Company was subject to fiscal controls covering the period through 2016, for both corportate income tax and value added tax. The Company's management considers that the tax liabilities included in this financial information are fairly stated, and they are not aware of any circumstances which may give rise to a potential material liability in this respect.

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25 INCOME TAXES (continued)

Transfer pricing

Romanian tax legislation includes the arm's length principle for transactions between related parties. Local taxpayers engaging in related party transactions have to prepare and make available upon the written request of the Romanian Tax Authorities their transfer pricing documentation dossier . Failure to present the transfer pricing documentation dossier, or presenting an incomplete dossier, may lead to non-compliance penalties; additionally, notwithstanding the contents of the transfer pricing documentation, the tax authorities may interpret the facts and transactions differently from management and impose additional tax liabilities resulting from transfer price adjustments. The Company's management believes that the Company will not suffer losses in case of a fiscal inspection on the subject of transfer prices.

26 CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

Guarantees committed to third parties

Guarantees are irrevocable assurances that the Company will make payments in the event that another party cannot meet its obligations. As at 31 December 2020, Agricover SA had issued guarantee letters with expiry period within 1 year in favour of third parties amounting to EUR 507,135 (2019: 248,687) – RON equivalent 2,469,445 (2019:1,188,550).

There are no contractual commitments at the date of the financial statements.

During 2020, the regular course of business of Agricover SA was challenged by unexpected evolution of SARS Cov-2 pandemic, as well as the drought conditions which affects several regions of Romania on a yearly basis during the spring and summer months. With respect to the drought condition, management believes it does not have a different or more significant impact on the Company's financial statements compared to previous periods.

26 CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

With respect to the SARS Cov-2 pandemic, starting with the first months of 2020 the virus had a rapid spread around the globe as well as in Romania and triggered special condition of business administration and challenged the way of performing daily operations in logistic chain in Romania.

As a consequence, the Company had to adjust its administration flow to accommodate remote work and also performed investment in redesign the operations activity to secure a safe working environment within the logistics and warehousing activities.

Furthemore, the Company took all the necessary actions to secure the proper level of inventories in anticipation of the expected difficulties in transportation of goods in the first part of the year.

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26 CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

The overall non recurrent cost incurred by the Company and directly related to SARS Cov 2 pandemic was RON 268,981 as OPEX for safety consumables and protective equipment and RON 84,018 as CAPEX for increased safety condition in central warehouse.

However, from business perspective there is no significant impact from the SARS Cov 2 pandemic condition and management believes no subsequent event will arise in this respect.

27 SUBSEQUENT EVENTS

There are no significant events after the reporting date.

28 RELATED-PARTY TRANSACTIONS

The Company is ultimately controlled by Mr Jabbar Kanani.

Parties are considered to be related if one party has the ability to control the other party, if the parties are under common control, or if they can exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosure".

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The related parties with whom the Company entered into significant transactions or had significant balances outstanding in the period presented were the following:

Related party	Country	Relationship	Transactions type
Agricover Holding SA	Romania	Parent entity	Service supply
Agricover Credit IFN SA	Romania	Related party	Service supply
Agroadvice SRL	Romania	Related party	Service supply
Danube Grain SRL	Romania	Related party	Loan granted
Agricover Broker de Asigurare SRL	Romania	Related party	Service supply
Agriland SRL	Romania	Related party	Goods and service supply
Net Farming SRL	Romania	Related party	Goods and service supply
Agricola Cornatelu SRL	Romania	Related party	Goods and service supply
Abatorul Peris SA	Romania	Related party	Service supply
Daf Smart Consulting SRL	Romania	Related party	Service supply
Veldtster Inc	Romania	Related party	Service supply
GP Services & Commerce SRL	Romania	Related party	Service supply
Lugo Prime Services SRL	Romania	Related party	Service supply
Adama Agricultural Solutions SRL	Romania	Related party	Goods supply
Agricover Technology SRL	Romania	Related party	Goods supply

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28 RELATED-PARTY TRANSACTIONS (continued)

The following transactions were carried out with related parties:

a) Sales to related parties

	2020	2019 restated
Sales of services	43,799	156,991
Rent revenue	1,120,204	741,749
Sales of fixed assets	7,109,453	8,434,278
Sales of goods	12,100,275	8,843,954
Total	**20,373,731**	**18,176,972**

b) Purchases of goods and services from related parties

	2020	2019 Restated
Purchases of services	2,692,731	3,629,894
Purchases of goods	40,926,615	30,817,135
Total	**43,619,346**	**34,447,029**

c) Other expenses and revenues with related parties

	2020	2019
Financial expenses – Agricover Credit IFN (factoring commission)	7,298,564	8,703,486
Financial expenses – Agricover Credit IFN (other)	4,444,124	3,919,980
Interest income – Danube Grains	184,676	25,851
Total	**11,558,012**	**12,597,615**

d) Period-end receivable balances from related parties

	2020	2019
Trade and other receivables (note 11)	9,765,299	6,274,731
Other receivables (note 11)	13,535,069	8,482,739
Finance lease receivable from related parties	979,970	2,252,650
Prepayments	48,720	-
Danube Grains SRL – short-term loan	-	1,610,168
Total	**24,329,058**	**18,620,289**

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28 RELATED-PARTY TRANSACTIONS (continued)

e) Period-end payables to related parties

	2020	2019
Trade payables (note 18)	46,387,128	31,644,671
Dividends to be paid	1,074,603	344,497
Total	**47,461,731**	**31,989,168**

Key management compensation

During 2020 salaries paid to key management personnel, including social contributions, amounted to RON 3,076,510 (2019: RON 3,668,032). There are no other compensations related to key management personnel.

29 ALTERNATIVE PERFORMANCE MEASURES

The following alternative performance measures are closely monitored and are presented by the Group as these may prove useful for better understanding of the financial position and performance of the operations. The ratios have been computed for 12 months period ended 31 December 2020 and 31 December 2019 based on the Company's financial results by **only taking into consideration the continuing business lines performance**:

	31.12.2020	31.12.2019
1. EBITDA	55,887,195	54,679,134
2. EBITDA margin	4.91%	4.93%
3. EBITDA/Interest expense	18.31	15.04

Below are presented the the elements included in the computation of the alternative performance measures, as follows:

1. **EBITDA** computation is presented below:

	31.12.2020	31.12.2019
EBITDA (A+B+C+D)	**55,887,195**	**54,679,134**
A.Profit for the period from continuing operations (SOCI)	29,862,398	26,569,080
B.Income tax expense (note 25)	4,207,210	3,912,757
C.Net finance costs (note 24)	15,073,359	18,263,212
D.Depreciation (note 21 and 22)	6,744,228	5,934,085

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29 ALTERNATIVE PERFORMANCE MEASURES (continued)

2. EBITDA margin is computed as EBITDA/Total Revenue for continuing operations:

	31.12.2020	31.12.2019
EBITDA margin A/B	**4.90%**	**4.93%**
A. EBITDA	55,887,195	54,679,134
B.Revenue (note 20)	1,139,721,799	1,109,146,671

3. EBITDA/Interest expense is computed by divided EBITDA to Interest expense for continuing operations

	31.12.2020	31.12.2019
EBITDA/Interest expense A/B	**18.31**	**15.04**
A.EBITDA	55,887,195	54,679,134
B.Interest expense (note 24)	3,052,797	3,634,485

Liviu Dobre
President of the Board of Directors

SOCIETATEA AGRICOVER S.A. ROMANIA 1

Violeta Georgescu
Chief Accountant