

AGRIPOLYANE S.A.S.

ANNUAL MANAGEMENT REPORT

Management presents the annual report and audited financial statements of the Company for the year ended 31 December 2022.

Basis of preparation of the annual Financial Statements of the Company

The balance sheet and the income statement as well as the annual report of our Company for 2022 have been drawn up and submitted in line with the principles determined by the French Accounting Standards.

Pursuant to the regulations, our annual report shall present the work and transaction flows of our Company pertaining to the respective financial year as well as the financial status thereof in all aspects by protecting the rights and the interests of our Company; enable our shareholders to have access on any information regarding the financial status of our Company completely and properly; evaluate the general properties of our Company's financial performance and financial status as well as the basic risks encountered by it and propound, through accounting and financial reporting data, that the activities and the services of our Company are performed in most efficient, reliable and uninterrupted manner.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are the production of agricultural greenhouse and bio-degradable mulching films and multifunctional film for other applications, wholesale trade and international trade.

Continuity of activity

These financial statements have been prepared based on the business continuity principle, which assumes that the Company will normally continue its activity in the foreseeable future without entering into a state of liquidation or significant reduction of the activity.

To assess the applicability of this presumption, management analyzes forecasts of future cash inflows. Based on these analyzes, the management believes that the Company will be able to continue its activity in the foreseeable future and therefore, the application of the principle of continuity of activity in the preparation of the financial statements is justified.

Review of current position, future developments, and performance of the Company's business

The Turnover of the Company in 2022 was increased by +13 % to 46.61 million Euro from 41.90 million Euro in 2021 (In local Gaap). The Profits Before Taxes in 2022 unfortunately decreased to 1,373,618 Euro from 2,253,242 Euro the year before but much less in net profit 1,050,037 Euro in 2022 versus 1,473,206 Euro in 2021 for Fiscal reasons.

The sales volume has decreased to 14,754 T during the year in scope from 15,611 T the previous year.

Main investments during the year

The major investments during the year 2022 were:

- Order of a new production line,
- Construction of a new tower for production line.



Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed here below:

Liquidity risk

Liquidity risk is for the moment very low.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk in relation to its current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Energy risk

Company was protected about fluctuation of Price of Energy in 2022 and is still protected in 2023 by contracts. A new contract for electricity should be negotiated in 2023 for 2024.

Market risk

We noticed that the market weakens in the end of 2022. There is less demand and prices adapt to this new issue.

Organization and development of internal control within the Company

The purpose of internal control is to ensure the coherence of objectives, to identify the key success factors and to communicate to the Company's management, in real time, the information regarding the performances and perspectives.

The control activities are an integral part of the management process through which the Company aims to achieve the proposed objectives.

The control aims at applying the norms and procedures of internal control, at all hierarchical and functional levels: the decisional authority regarding the definition on hierarchical levels of the approvals, the evaluation of the operational performances, the security of the assets, the separation of the functions.

Board of Directors

According to its Statutes, the Company does not have a Board of Directors.

Mr. Michail Lempidakis is the Chairman and Mr. Sotirios Droulias the General Director of the Company.

Events after the balance sheet

The company is finishing ongoing investments. It is scheduled to bring our sprinkler system to insurance standards and norms in the end of 2023 or beginning of 2024.





The President of the Board

Mr. Michail Lempidakis

March 21st, 2023