# Annual Report
consolidated
2024

AGROFERT

**AGROFERT Group**
**Annual Report Consolidated**
**2024**

Company Identification No.: 26185610

AGROFERT, a.s.
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AGROFERT

# Contents



Since the end of 2006, AGROFERT has been based in Prague's Chodov.

# Annual Report

## 1 Overview of the Group's Activities

The AGROFERT Group (the "Group"), together with the parent company, comprises 213 controlled companies, 12 jointly controlled companies and 5 associate companies under significant influence. AGROFERT Group companies are active in the following segments: chemicals, agriculture and primary production, food processing, forestry and wood processing, land technology and engineering, logistics and transport, and renewable energy. In 2024, AGROFERT successfully completed divestment of the media group companies MAFRA, a.s., LONDA spol. s r.o., and thus left the sector, and also Synthesia, a.s. The divestment process of the aforementioned companies began in 2023.

At the end of 2024, the AGROFERT Group had almost 29 thousand employees and has been the largest Czech private employer. According to the CZECH TOP 100 ranking for 2023, AGROFERT is the fourth most important company in the Czech Republic. AGROFERT is one of the largest agricultural and food processing companies in Central Europe, the second largest producer of nitrogen fertilizers in Europe and the second largest Czech exporter.

In terms of investments, AGROFERT is one of the leading investors in the Czech Republic and Slovakia and significant investor also in Hungary, Austria, France and Germany.

The business success of the entire Group is based on long-term, stable relationships with business partners, the quality of work of the Group's employees, the skills of experts in specific fields, the ability to flexibly respond to changing market environment and a maximum use of synergies across the segments in which the Group operates.

## 2 Analysis and Assessment of the Group's Performance

The Group reported a significant increase in economic results compared to the previous period. The volume of business transaction remained more or less unchanged. Considering the recorded Group's results, it could be stated that the Group companies have maintained their significant position in their respective business segments while their business activities have remained consistently robust.

## 3 The Group's Financial Position

The Group's consolidated profit after tax amounted to CZK 7,092 million in 2024, compared to CZK 2,086 million in previous year. The growth in profit is primarily attributable to income from the sale of the MAFRA, a.s., LONDA spol. s r. o. a Synthesia, a.s. group companies. EBITDA increased to CZK 18,627 million compared to CZK 16,772 million recorded in previous year. The newly included companies only made a minor contribution to the Group's results. The Group's profit before taxes amounted to CZK 7,666 million.

Consolidated revenues from the sale of goods, finished products, materials and services amounted to CZK 211,695 million (2023: CZK 211,660 million). The Group's unconsolidated revenues totaled CZK 316,730 million (2023: CZK 309,059 million). A year-on-year increase of total consolidated revenues by CZK 36 million is attributable mainly to the acquisition of LAT Nitrogen (acquisition date 5 July 2023) despite losing control of the MAFRA, a.s., LONDA spol. s r. o. and Synthesia, a.s. group companies (divestment date 1 February 2024). The newly acquired companies made only a minor contribution to the Group's 2024 turnover.

The net balance sheet total decreased from CZK 214,771 million to CZK 203,563 million, representing a 5.2% decrease, primarily due to a decrease in assets classified as held for sale. Non-current assets increased by CZK 3,986 million, current assets decreased by CZK 4,262 million.

The increase in property, plant and equipment (excluding assets acquired through acquisitions of new companies) totaled CZK 14,177 million in 2024. As a result of newly added subsidiaries, the value of property, plant and equipment increased by CZK 757 million. Inventories of the Group companies decreased by a total of CZK 5,281 million year-on-year.

As a result of the signed agreements for the divestment of companies of the MAFRA, a.s., LONDA spol. s r.o. and Synthesia, a.s. groups, the settlement of which was subject to the satisfaction of certain conditions precedent and the receipt of regulatory approvals, the assets and liabilities of these companies were reclassified as assets classified as held for sale and related liabilities as at 31 December 2023. The transaction was settled as at 1 February 2024 and therefore the assets classified as held for sale decreased by CZK 10,932 million year-on-year and liabilities associated with assets classified as held for sale decreased by CZK 3,927 million in 2024 compared to 2023.

Concerning equity and liabilities, liabilities and provisions decreased by a total of CZK 14,917 million. The volume of bank and other loans and borrowings decreased by CZK 8,740 million year-on-year. Furthermore, short-term provisions decreased by CZK 2,696 million and trade and other short-term liabilities by CZK 3,385 million.

## 4 Subsequent Events after 31 December 2024 that are Material for the Purposes of the Annual Report

On 9 September 2024, AGROFERT, a.s. as the seller entered into an agreement for the sale of 100% equity interest in Feboran EOOD with RHEA VENTURES EAD as the buyer. Completion of the transaction was subject to regulatory approvals. As of 31 December 2024, the related assets were reclassified to assets classified as held for sale. The transaction was settled on 10 January 2025.

Subsequent to the balance sheet date, certain Group companies received exemptions from creditors for non-performance of financial ratios on loans, totaling CZK 1,910,950 thousand.

## 5 Projected Future Development of the Group and Key Risks and Uncertainties

The AGROFERT Group companies conduct their business activities based on healthy long-term supplier and customer relationships, above-standard management performance of employees, the ability to react flexibly to market conditions and changes in the business environment, and also thanks to effective use of synergy effects across the entire Group. Key elements of AGROFERT Group's long-term management strategy include a systematic rationalization and efficiency enhancement of the internal management and control system and a continuous evaluation of business models and selection of the appropriate business model for the sectors in which AGROFERT Group operates.

In 2025, we expect the AGROFERT Group to maintain its long-term stable economic performance. However, compared to the 2024 results, we expect a better performance, especially in the fertilizer segment; 2024 was a difficult year for the segment particularly due to high prices of natural gas in Europe and also due to high imports of nitrogen products from regions outside the EU, particularly from Russia. We expect a significant improvement particularly in the LAT Nitrogen segment, where the positive effects of the synergies and savings measures implemented should be more pronounced. We also expect improved performance in the specialty chemicals segment. Performance in the food production segment is expected to remain good, similarly, to last year. In the agriculture segment, we expect a slight year-on-year improvement in performance, in particular in primary agricultural production, where lower yields per hectare of some crops, mainly due to climate impacts, and declining support for conventional agriculture from European and national sources had a negative impact on the results in 2024.

In 2025, we assume capital expenditures at a similar level as in 2024. This year's capital expenditures will focus primarily on efficiency and greening of production and also energy savings. The most important projects include the commencement of the biogas production project in Ethanol Energy, a.s., ongoing construction of a new bakery line for McDonald's in Germany, construction of a new chicken slaughterhouse in Vodňany, the start of construction of a new toast line in Hungary, investments into the tertiary reduction system at Duslo, a.s. and the construction of several new cowsheds, including milking plants, in the Czech Republic and Slovakia. Capital expenditures into the modernization of chemical, food, agricultural, timber and other operations will continue.

In 2025, the AGROFERT Group will continue to fulfil its strategic priorities, including the achievement of business objectives and caring for employees and their development.

Thanks to the above, the Board of Directors of AGROFERT, a.s., is convinced that the 2025 activities will contribute to maintaining the continuity of positive developments of the entire Group's business. The 2025 business activities are intended to support sustainable development of the business activities of individual Group companies and to defend the Group's leading positions in the domestic market, as well as in other Central European markets.

## 6 Group’s Research and Development Activities

In addition to their own business activities, the AGROFERT Group companies also focus on R&D activities, in close cooperation with the academic sphere and other partners. This is particularly true for companies in the chemical, agricultural and food industry.

In the chemical manufacturing industry, the AGROFERT Group operates several research laboratories. The VUCHT, a.s. laboratory in Slovakia focuses mainly on inorganic technological research in the field of fertilizers, organic technological research in the field of catalysts, technological synthesis and synthesis of new organic compounds.

Research activities are also conducted within the Group's manufacturing companies. For example, more than 60 employees of the German company SKW Stickstoffwerke Piesteritz GmbH work in chemical research, agricultural applications research and analysis. The agricultural applications research facility in Cunnersdorf, Germany, has gained international recognition at the highest level. In 2024, the facility once again initiated and organized important thematic communication between farmers, agricultural advisors, dealers and other stakeholders. New, funded research and development projects were commenced such as SALSA (Small farms, small food businesses and sustainable food security), funding of research and development supported by tax incentives for the purpose of developing innovations in non-agricultural sector (alternative forming processes, urea-based electrolytes for aluminium-ion batteries, polymers and hydrogels). Moreover, project funding in the agriculture sector (IMPROVE, NAWIRA, NeatWheat, NITRIKLIM, StaPrax-Regio) supports, in particular, marketing of the SKWP fertilizer specialties. Both serve to optimize costs, expand the product portfolio and meet customer requirements as much as possible.

Atmowell, globally innovative technology has brought completely new possibilites to meet air pollution control obligations (including NEC Directive (EU) 2016/2284) in livestock farming. This technology was awarded the silver medal at EuroTier 2024. In addition, based on the results of the StaPrax Regio project, a MapServer was provided to recommend applications adapted to local conditions with SKWP fertilizers.

Particularly in the Czech and Slovak Republics, the Group companies emphasize cooperation with the Academia. The AGROFERT Group chemical manufacturers support the connection between students' theoretical knowledge and industry practice, particularly in the research, development and technological development. Through practical training, internships or temporary jobs, students gain the necessary knowledge and practical experience. Another equally important area is the cooperation with students working on their bachelor’s, diploma or dissertation theses. The Faculty of Chemical Technology of Pardubice University, Tomáš Baťa University in Zlín, Institute of Chemical Technology in Prague, Masaryk University in Brno, Palackého University in Olomouc, Ostrava Technical University and Brno University of Technology were again key partners of the Group's chemical companies in 2024.

In 2024, a number of experts from among AGROFERT Group employees also presented their industry knowledge and skills during lectures at the Czech University of Agriculture in Prague, Mendel University in Brno, the Slovak University of Agriculture in Nitra, South Bohemia University in České Budějovice and the Technical University in Zlín.

Research and development conducted in school and university settings produces results such as agricultural field trials that focus on innovations in plant and crop care and protection, product innovation and a range of other activities. New projects include research and development activities such as research on the impact of nutrition on livestock and participation in projects that have a long-term impact on the environment. The orientation to support precision farming projects is equally important.

Field trials are one of the traditional activities of the AGROFERT Group that link the chemistry and agriculture segments. They are an integral part of the “field days” organized in cooperation with the Group's agricultural companies. As part of the held field days, the care and protection of plants and agricultural crops as such was presented.

The LAT Nitrogen group cooperates on field trials with independent institutions and service providers in Austria, Germany, France, Hungary, Romania and Bulgaria. The combination of product, application know-how and digital tools contributes to sustainable crop production. In 2024, the development of the N-Pilot 2.0 digital agriculture tool was further advanced in collaboration with hardware and sensor experts. Pre-marketing trials are planned for spring 2025. N-Pilot 2.0, is a handheld, portable sensor measuring the nitrogen nutritional status of crops by assessing the plants chlorophyll content and the amount of biomass. It provides a nitrogen fertilization recommendation through a mobile application, which is easy to use in the field.

In the field of food production, AGROFERT Group companies focus their research and development particularly on technological development. All food production operations have their own laboratories. Each food production plant has its own laboratories, and individual food companies within the Group strive for long-term collaboration with universities; partner universities include primarily Brno‘s Mendel University, the Czech University of Life Sciences in Prague, South Bohemia University in České Budějovice, and the Slovak University of Agriculture in Nitra.

Targeted cooperation between schools and the companies in the segment of technology, engineering and transport involves a number of universities and secondary schools. Universities with a long-term history of cooperation include the Brno University of Technology and the Czech University of Life Sciences in Prague. The cooperation takes the form of students’ internships and practical training in AGROFERT companies, and, on the other hand, regular lectures by and consultations with experts from among AGROFERT employees, linking practice with theory.

## 7 Group's Environmental Activities

In 2024, AGROFERT Group companies intensively continued preparations for meeting the new requirements under the CSRD with reporting obligations from 2025. Nevertheless, responsible approach to environmental protection, relationships with and promotion of communities and cost-effective energy management have already been an integral part of the responsible business of the AGROFERT Group companies for a long time. The main areas of interest in the context of the Group's main business activities include air protection, water resources protection and environmentally friendly water management, agricultural land and forests maintenance and continuous improvement of welfare of farmed animals. All this is reinforced by good agricultural practice, crop rotation, use of modern technologies in order to achieve input material savings and use of more energy efficient and cost-efficient production technologies across the Group's business segments. Individual companies also actively participate in waste recycling, responsible waste management and waste reprocessing.

Thanks to their systematic work, the AGROFERT Group companies meet the environmental demands placed on them by the applicable legislation or by third parties. As a result, many of the Group's companies have been certified for environmental management, biofuel sustainability or forest farming (e.g., under ISO 14 001, ISCC EU, PEFC) reducing the impact of company operations on the Environment or energy management (e.g., ISO 50 001 and energy audit). Since 2024, certain companies of the AGROFERT Group have been holding the GMP + FRA certificate of responsible feed for GMP+ FRA livestock not only with view of the issue of deforestation.

A sustainable business development and environmental protection strategy has been adopted and applies across all AGROFERT Group activities. We use a complex approach covering all aspects, from optimization of production technologies, efficiency in raw material consumption, waste management and recycling, to efficient logistics and heat and power generation compliant with strict EU emission limits. The Group has adopted a specific approach covering the above activities, which is among AGROFERT Group priorities and constitutes part of the companies' corporate responsibility policies; the above approach is subject to internal audit and supervision by public authorities.

The AGROFERT Group puts emphasis on continuous efforts aiming at improving water management; this is important not only for the Group's chemical companies but also for food producers. The Group's companies have therefore built a strong and precise wastewater treatment system. The quality of discharged wastewater is driven by the limits set by state authorities. These limits are strict and are constantly monitored. Therefore, methods and technologies are progressively implemented to enhance the capacity of wastewater treatment systems so that the treated water can be returned to nature at the highest quality; these involve continuous improvement of all stages of mechanical pre-treatment, wastewater sedimentation and filtration. These activities are not only technologically demanding, yet also strictly monitored and regulated. The Group companies take a long-term and comprehensive approach to environmental risks. An example are the LAT Nitrogen group companies and also Duslo, a.s. and Lovochemie, a.s., which are holders of the prestigious Product Stewardship Certificate, which confirms the company's commitment to safe and responsible product management throughout their entire life cycle.

Eventually, food companies from the AGROFERT Group continue to systematically focus on food packaging materials, with an emphasis on the least possible impact on the environment. They comply with the general trend of reducing the consumption of plastics. These particularly involve reducing the weight of plastic packaging for both meat and dairy products. An example is the dairy OLMA, a.s., which in 2024 became the first in the Czech Republic to use cups with an innovative technology, thanks to which during mechanical recycling, the paper packaging separates itself from the plastic cup, even if the consumer does not do so. In 2024, Mlékárna Hlinsko, a.s. dairy plant made the recuperation of juice vapor to use heat and preheating rainwater. It has also completed the final version of the project for pre -cleaning condensation water for further use in the technology and the Energy Savings project to reduce pressure in air distribution and subsequent gradual pressure reduction in the whole the distribution system.

The Group's plans for the coming years include further reduction of the environmental footprint in line with AGROFERT's strategic plans and commitments imposed by EU regulations, increasing energy savings and, last but not least, reducing the amount of waste produced, including its subsequent recycling. In addition, companies will continue to strive to search for, develop and implement the best available technologies. Group companies in all segments also invest in renewable energy sources, in particular PV, in addition to seeking strategic partnerships across their production chains.

## 8 Group's Human Resources and Labor Relations. Group's Communication with the Public

The average number of employees of the AGROFERT Group in 2024 was 28,969, of which Czech companies employed 17,848 people. The Group thus defended its leading position among the largest Czech private employers.

In the long-term, labor relations and the payroll agenda of the AGROFERT Group have been strictly governed by the applicable legal regulations, internal Group policies and company-level guidelines. The year 2024 again brought a number legislative changes that affect human resources management, payroll processing, the HR agenda and all related activities. The Group's companies added all changes to the principles and processes already in place to meet the demands of legislation of individual countries.

The AGROFERT Group is at all times committed to compliance with legal regulations, the principles of ethics and morality and fair business practices in the day-to-day activities of all Group companies. The Compliance Programme was adopted with the aim of setting specific standards; the Programme includes the Code of Ethics, which contains the Group's basic principles, values and rules. The Code of Conduct focuses on the following:

- democratic values, protection of and respect for human rights in compliance with the Charter of Fundamental Rights and Freedoms;
- the rights of every person regardless of their origin, ethnicity, race, color, language, age, gender, marital status, health status, sexual orientation, financial standing, religious and political beliefs and social status;
- the principle of equal treatment of employees, respect for their dignity, privacy and personal rights;
- employees' job performance strictly in accordance with the law;
- principles of healthy work environment and its sustainable development in all fields of competence;
- fair working conditions for all employees;
- compliance with the rules of occupational health and safety ensuring employees' working and protective equipment.

The measures aimed at detecting and eliminating illegal or unethical conduct include an ethics hotline, Tell Us, to report violations of the Code of Ethics. The ethics hotline is intended not only for AGROFERT employees, but also for business partners and other persons who can report violations of the Group's approved rules of ethical conduct. All notifications are thoroughly investigated and corrective measures are taken in the event of an ascertained violation.

In 2024, selected companies and employees of the Group received a number of awards in the Employer of the Year competition, Manager of the Year competition and TOP Employer of the Year competition, and various local awards within their districts or regions. The medal awarded by ECOVADIS contest, the Canteen of the Year award or the Fair Employer award are also worth mentioning. Examples of important awards include the first place of our apprentice team in the professional competition of butchers ("boucher-charcutier"), the prestigious raking of secondary school food students in the discipline bakers and dairy farmers and also our trainees.

Similarly to previous periods, great emphasis was placed on further development of the information channel for internal communication in 2024, i.e., the Group's intranet. The platform is rightly gaining increasing popularity among employees. It serves, among other things, as an effective tool through which comprehensive information can be delivered to all Group employees and groups of professionals in a short time. The number of groups further expanded in 2024 and now the majority of the Group's expert groups use this secure form of communication. Examples include the Payroll Accountants in the Czech and Slovak Republics, Personnel Managers, the Energy Group and many others. This platform newly began to expand to foreign companies in 2024. The Intranet in Hungary serves as an example. The instrument has been growing in popularity also with other groups. The group to the Young Farmer competition, where the current results are presented regularly to all companies involved, serves as an example.

In addition to on-line tools, we still use printed periodicals for internal communication purposes. In addition to the printed Group-wide AGROFERT magazine, agricultural, food and chemical companies also regularly publish their internal periodicals. Employees are regularly informed about life and events at their workplaces, as well as about activities in other Group companies. A number of companies expanded their use of social networks in 2024, be it Instagram LinkedIn or Facebook, while Tik Tok platform is gaining in popularity. Via these media, companies can inform not only their employees, but also the general public about their events, new products or other activities through short videos and articles. The platforms serve to enhance the reputation of individual companies, and the Group as a whole.

AGROFERT Group companies placed great emphasis on employee training and development in 2024. As a rule, this area is covered by the individual training plan of each employee. The e-learning platform and on-line courses and seminars continue to prove to be a suitable tool. The education and training system focuses on enhancing the professional knowledge of employees at all levels of management in the area of production, commerce, consultancy and support activities. The emphasis continues to be on foreign language training in the form of individual or group courses.

The monitoring of legislative changes at all levels of management and continuous improvement of quality, occupational health and safety, fire protection, environmental protection and certified systems are an essential part of the training process. In 2024, AGROFERT Group companies again focused more on management skills training and personal development of individual managers.

The development and promotion of employee health becomes an increasing priority for all AGROFERT Group companies. The forms of employee health support vary from company to company. AGROFERT Group employees in the Czech Republic can use the benefit of examinations at the Modřany outpatient clinic, or use specific treatment at the healthcare facility according to their workplace or place of residence as part of their benefit package. Many companies organize Health Days. Favorite cooperation still includes health days with the staff of the Oncology Institute in Brno. Some of the Group companies offer their employees health recovery stays in selected recreational or spa facilities, pharmacy vouchers for the purchase of vitamins, contributions for vaccinations, doctor consultations via a phone health line or many other benefits. Trade unions are also involved in health promotion and social dialogue in many companies. Taking care of employees, both current and former, includes good mutual relations and participation in common goals.

Many companies of the Group choose their future employees already during their studies at technical and vocational schools. Examples of the cooperation include scholarship programs, awards for the best bachelor's and master's theses, assessment centers and many other activities. 2024 was the 17th year of the YOUNG CHEMIST, a nation-wide competition promoting chemistry studies. As a new project to support agriculture, the Young Farmer competition has become a national competition in 2024. The AGROFERT group companies are its proud partners. The contest is designed for pupils attending seventh and eighth grades of a primary school. The project to support chemistry teachers organized by the Association of Chemical Industry, of which AGROFERT is a member is another example of education support. Popularization of agriculture, food industry, but also chemistry starts at primary schools. Projects for children in kindergartens become new and extremely popular. They take part in activities where animals, machines and products are presented and, in the form of small competitions, they experience the world of our disciplines. The field days, the international agricultural fair Země živitelka (Earth, the Provider) and a number of other regional exhibitions, where activities are targeted for this youngest generation serve as examples.

One of the key activities of the Group's companies is the cooperation with secondary vocational schools across all spectra of our disciplines. Graduates of vocational schools are the most important part of the workforce in agricultural, food and chemical companies. The emphasis on such cooperation is thus increasing. That is why we traditionally take part in the national fair Education and Crafts in České Budějovice, where future students are presented with courses such as baker, butcher or motor vehicle mechanic. Examples pf successful cooperation with educational institutions include cooperation with the vocational school at Vodňany, course butcher ("boucher-charcutier"), or vocational school in Tábor - courses butcher, vocational and secondary school in České Budějovice - course baker, Secondary vocational automobile school - Brno - motor vehicle mechanic.

AGROFERT Group companies offer their potential employees, typically graduates of secondary agricultural or vocational and technical schools, scholarship or trainee programs. These include, among other projects, the special Pig Camp program, which focuses on pig breeding, TechCamp programs of various lengths and focuses for students of technical disciplines and the AGRO Camp for students of agriculture.

AGROFERT has also built long-term relationships based on close cooperation with a number of secondary schools, including the Secondary Technical School in Ústí nad Labem, the Secondary Technical and Horticultural School in Lovosice, the Higher Vocational School and the Secondary Technical School of Mechanical Engineering, Construction and Transport, Děčín, the Secondary Technical School Otrokovice, Josef Jungmann Gymnasium Litoměřice, Secondary Technical School Přerov, Secondary Technical School Hranice na Moravě, Jakub Škoda Gymnasium Přerov, Secondary School of Electrical Engineering Lipník nad Bečvou, Secondary School of Logistics and Chemistry Olomouc, Secondary Agricultural Schools and the Higher Vocational School in Chrudim, Gymnasium and Secondary Technical School in Plasy, Municipal Secondary Technical School in Klobouky u Brna, Secondary Agricultural School in Čáslav, Secondary Technical School in Znojmo, Agricultural Academy and Gymnasium in Hořice and a number of other secondary schools and secondary vocational schools in individual countries. Companies in Slovakia also organize a number of activities. Contracting day of training firms, brainstorming at certain secondary schools, the Open Door Day at the combined School in Martin serve as examples.

In an effort to fill graduate positions and build a long-term great employer brand among students and graduates, the Group and selected companies participated in many job fairs and job days in 2024. The JobChallenge fair in Brno, where we met with students from Mendel University, Masaryk University and Brno University of Technology, was among the most important events. We also participated, for example, in the Student Scientific Conference at the Faculty of Mechanical Engineering in Bratislava, the Windows into Practice fair at Palacký University in Olomouc, and study programs and fairs in Nitra.

Close cooperation in various spectra of activities takes place at universities not only in the Czech Republic, but also in Slovakia and other countries where the AGROFERT Group operates. Faculty of Chemical and Food Technology STU Bratislava in Slovakia or the István Széchenyi University in Győr, Hungary serve as examples.

A chill-out zone on the premises of Mendel University can be included as a new project of cooperation with universities, which the companies of the group have prepared as a rest and presentation point for the students of this university.

As a traditional component of our corporate culture, AGROFERT employees and Group companies participate in public-benefit projects and projects supporting local communities, sports clubs and cultural events, and regional charity projects. Projects to support food banks are among the constants. These activities are primarily aimed at promoting strong neighbor relationships or helping those in need. A number of joint projects under the title "Good Neighbor" continued in 2024, aiming to help in the locations where we operate. Our cooperation with wild animal rescue station Pasíčka, the largest rescue station in the Czech Republic for handicapped animals, is already in its fourth year.

In 2024, a number of charitable activities were established, which were organized in cooperation with the AGROFERT Foundation, such as the aid to employees of the Group affected by the floods. The cooperation of employees of the group companies with the Vesna Health Care Facility in Janské Lázně, where entertaining volunteer days for children from the facility are held several times a year is another exemplary joint project.

AGROFERT Group companies also have their own independent projects targeting the regions in which they operate. An example is the Helping with Seeds charity project, where the company donates CZK 15 from each unit of OSEVA HYBRIDS corn for charity in support of hospices, municipal libraries, cultural and social events, racing associations, international music and film festivals or associations. Examples include activities for the Hustopeče Municipality - support of immensely popular Almond Festival or Young Wine Festival.

## 9 Information on Foreign Branches of the Group

AGROFERT, a.s. has a foreign branch in Slovakia: AGROFERT, a.s., organizačná zložka Agrochémia, with its registered office at Nobelova 34, 836 05 Bratislava, Slovakia, Business registration number (IC): 36862126.

AFEED, a.s. has a foreign branch in Slovakia: AFEED, a.s., slovenská organizačná zložka, with its registered office at Nobelova 34, 831 02 Bratislava, Slovakia, Business registration number (IC): 47790342.

Logistics Solution, a.s. has a foreign branch in Slovakia: Logistics Solution, a.s, slovenská organizačná zložka, with its registered office at Chovateľská 1, 917 01 Trnava, Slovakia, Business registration number (IČO): 48215074.

OSEVA, a.s., has a foreign branch in Slovakia: OSEVA, a.s., slovenská organizačná zložka, with its registered office at Štrková 1, 946 32 Marcelová, Slovakia, Business registration number (IČO): 50981137.

## 10 Information on the Use of Investment Instruments and Other Similar Assets and Liabilities

The business transactions conducted by individual AGROFERT Group companies are exposed to certain financial risks. Given the international presence of the AGROFERT Group and a high share of sale and purchase transactions denominated in foreign currencies, the currency risk may be perceived as the major risk. As a result, the Group companies' financial risk management strategies particularly focus on currency markets development forecasting, which is rather difficult to achieve. Subsequently, the companies, using its own strategies, strive to minimize possible negative impact of the Czech crown's exchange rate fluctuations on their economic results. The currency risk is identified, in collaboration with the specialized purchase and sale departments of each company, by quantifying the expected purchase and sale volumes in relation to each currency and sub-period. The identified risk is regularly reviewed and, if necessary, reduced using standard hedging instruments. The monitoring was further intensified in the current period of increased financial market volatility.

AGROFERT Group companies maintain healthy, long-lasting relationships and open communication with banks, which enables them to use the banks' expertise and current analyses in the management of credit risk and optimization of the group's financing structure. Similarly to the currency risks, interest rates are continuously reviewed in terms of their expected development and decisions are made to use, if necessary, standard hedging instruments in order to reduce their fluctuation and optimize the interest costs of external financing.

AGROFERT Group companies also pay considerable attention to the internal risk management. The main objective is to minimize the risk of misuse of the Group companies' assets and resources. The companies also meet the security standards concerning information system settings and principles defined in the Group's Code of Ethics.

## 11 Information required under other than accounting legislation

The AGROFERT Group is not required to provide any information pursuant to legal regulations other than the accounting standards.

# AGROFERT Group

Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union

For the Year Ended 31 December 2024

## AGROFERT Group

## Consolidated Balance Sheet
## as at 31 December 2024

| In CZK thousands | Note: | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|---|
| **Total assets** | | **203,562,776** | **214,770,588** |
| **Non-current assets** | | **126,229,642** | **122,243,808** |
| Property, plant and equipment | 5.1 | 105,600,435 | 100,767,226 |
| Right of use asset | 6.1 | 6,676,206 | 6,280,208 |
| Goodwill | 2.6 | 1,935,096 | 1,818,255 |
| Intangible assets | 5.2 | 4,270,995 | 7,630,776 |
| Investment property | 5.3 | 232,829 | 249,780 |
| Non-current biological assets | 7.1 | 968,910 | 514,291 |
| Deferred tax asset | 27 | 2,235,753 | 1,112,617 |
| Long-term financial assets | 10 | 225,675 | 277,052 |
| Long-term receivables | 10 | 390,536 | 1,076,455 |
| Investments in associates and joint ventures | 4.2 | 3,693,207 | 2,517,148 |
| **Current assets** | | **77,157,154** | **81,419,116** |
| Inventories | 8 | 37,927,856 | 43,208,419 |
| Current biological assets | 7.2 | 2,442,261 | 2,440,101 |
| Short-term financial assets | 11 | 841,107 | 178,296 |
| Trade and other receivables | 11 | 27,068,383 | 25,400,133 |
| Income tax receivable | | 564,323 | 855,110 |
| Cash and cash equivalents | 12 | 8,313,224 | 9,337,057 |
| **Assets classified as held for sale** | 9 | **175,980** | **11,107,664** |
| **Total liabilities and equity** | | **203,562,776** | **214,770,588** |
| **Long-term liabilities and provisions** | | **23,653,524** | **30,098,253** |
| Long-term bank and other loans and borrowings | 14 | 11,651,863 | 17,631,231 |
| Long-term lease liability | 6.1, 14 | 5,375,168 | 4,990,039 |
| Trade and other long-term liabilities | 14 | 1,832,820 | 2,711,696 |
| Deferred tax liability | 27 | 3,430,864 | 3,336,051 |
| Long-term provisions | 19 | 1,362,809 | 1,429,236 |
| **Current liabilities and provisions** | | **63,598,805** | **72,070,636** |
| Short-term bank and other loans and borrowings | 15 | 32,008,041 | 34,768,443 |
| Short-term lease liability | 6.1, 15 | 1,433,135 | 1,379,155 |
| Trade and other current liabilities | 15 | 25,741,258 | 29,126,590 |
| Income tax payable | | 553,728 | 237,821 |
| Current provisions | 19 | 3,862,643 | 6,558,627 |
| **Liabilities associated with assets classified as held for sale** | 9 | **-** | **3,927,020** |
| **Total equity** | | **116,310,447** | **108,674,679** |
| **Equity attributable to equity holders of the parent** | | **116,248,541** | **108,711,577** |
| Share capital | 13 | 628,000 | 628,000 |
| Share premium | | 30,600 | 30,600 |
| Translation differences | | (1,813,566) | (2,415,591) |
| Cash flow hedges | | (1,767) | 59,036 |
| Retained earnings and other reserves | | 117,407,274 | 110,409,532 |
| **Non-controlling interests** | | **61,906** | **(36,898)** |

## AGROFERT Group

# Consolidated Statement of Profit or Loss for the year ended 31 December 2024

| In CZK thousands | Note: | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | 20 | **211,695,454** | **211,659,778** |
| Revenue from sale of finished products and goods | | 203,123,520 | 200,407,943 |
| Revenue from sale of services | | 7,723,028 | 10,736,573 |
| Revenue from sale of material | | 848,906 | 515,262 |
| **Depreciation and amortization** | 21 | **(12,003,164)** | **(11,024,442)** |
| **Consumption of material and energy and cost of goods sold** | | **(137,124,253)** | **(143,475,157)** |
| **Changes in inventory and current biological assets and their fair values** | 7.2, 8 | **(31,930)** | **(905,197)** |
| **Personnel expenses** | 22 | **(29,194,068)** | **(27,633,173)** |
| **Cost of services and repairs and maintenance** | | **(28,277,143)** | **(25,692,891)** |
| **Changes in fair values of non-current biological assets and investment property** | 5.3, 7.1 | **308,701** | **(583,712)** |
| **Impairment of goodwill and changes in impairment of non-current assets and operating provisions, net** | 24 | **(2,007,342)** | **(1,115,117)** |
| **Losses (-) / reversal of losses (+) on impairment of financial assets, net** | | **29,631** | **156,552** |
| **Other operating expenses** | 25 | **(4,007,390)** | **(3,551,715)** |
| **Other operating income** | 25 | **4,351,561** | **6,188,695** |
| **Interest expense** | | **(2,837,805)** | **(2,731,551)** |
| **Interest income** | | **787,196** | **502,553** |
| **Foreign exchange rate gains (+) and losses (-), net** | | **(174,583)** | **(121,191)** |
| **Gain (+) / loss (-) from sale of subsidiaries, joint ventures and associates** | 9 | **5,104,595** | **-** |
| **Other financial expenses and income, net** | 26 | **140,799** | **44,393** |
| **Share of profit (+) / loss (-) of associates and joint ventures** | 4.2 | **905,707** | **765,130** |
| **Profit before income taxes** | | **7,665,966** | **2,482,955** |
| **Income taxes** | 27 | **(574,151)** | **(397,016)** |
| **Profit for the year** | | **7,091,815** | **2,085,939** |
| | | | |
| **Profit for the year attributable to:** | | | |
| Equity holders of the parent | | 6,954,624 | 2,064,545 |
| Non-controlling interests | | 137,191 | 21,394 |

## AGROFERT Group

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

| In CZK thousands | Note: | 2024 | 2023 |
|---|---|---|---|
| **Profit for the year** | | **7,091,815** | **2,085,939** |
| **Other comprehensive income - items that may be reclassified subsequently to statement of profit or loss** | | | |
| Change in fair value of cash flow hedges recognized in equity | | (35,169) | 10,403 |
| Cash flow hedges reclassified to statement of profit or loss | | (40,743) | (147,486) |
| Translation differences | | 606,393 | 1,668,950 |
| Deferred tax related to other comprehensive income | 27 | 14,335 | 24,543 |
| **Net other comprehensive income that may be reclassified to statement of profit or loss in subsequent periods** | | **544,816** | **1,556,410** |
| **Other comprehensive income – items not to be subsequently reclassified to statement of profit or loss** | | | |
| Gain (+) / loss (-) on defined benefit plans | 28 | (10,244) | (14,780) |
| Gain from transfer to investment property | | - | 17,727 |
| Deferred tax related to other comprehensive income | 27 | 6,605 | (2,617) |
| **Net other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods** | | **(3,639)** | **330** |
| **Other comprehensive income, net of tax** | | **541,177** | **1,556,740** |
| **Total comprehensive income, net of tax** | | **7,632,992** | **3,642,679** |
| | | | |
| **Total comprehensive income attributable to** | | | |
| Equity holders of the parent | | 7,499,411 | 3,626,159 |
| Non-controlling interests | | 133,581 | 16,520 |

## AGROFERT Group

## Consolidated Statement of Cash Flows for the year ended 31 December 2024

| In CZK thousands | Note: | 2024 | 2023 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit before income taxes | | 7,665,966 | 2,482,955 |
| *Adjustments to reconcile income before income taxes to net cash provided by operating activities* | | | |
| Depreciation and amortization | 21 | 12,003,164 | 11,024,442 |
| Gain / loss on non-current asset sales, net | | (5,425,580) | (236,440) |
| Foreign exchange rate gains and losses, net | | 174,583 | 121,191 |
| Interest expense and interest income | | 2,050,609 | 2,228,998 |
| Dividend income | | (15,000) | (1,282) |
| Changes in provisions | | (2,850,088) | 2,101,616 |
| Changes in impairment allowances | | (1,238,763) | (3,974,886) |
| Other non-cash movements from operating items | | 4,234,420 | 578,908 |
| Impairment of goodwill and gain from a bargain purchase, net | 2.6, 4.5, 4.6 | 82,046 | (2,137,820) |
| Changes in fair value of non-current biological assets | | (309,031) | 603,597 |
| Changes in fair value of investment property | | 330 | (19,885) |
| Gain / loss on revaluation of derivatives and financial assets to fair value, net | | (154,576) | 20,984 |
| Share of profit of associates and joint ventures | 4.2 | (905,707) | (765,130) |
| *Changes in working capital* | | | |
| Receivables | | 809,422 | 4,912,040 |
| Inventories and current biological assets | | 5,994,910 | 9,918,178 |
| Other current assets | | (98,755) | (57,740) |
| Trade and other liabilities | | (2,181,732) | (5,536,076) |
| Income tax paid | | (984,362) | (4,826,033) |
| Interest paid, net of capitalized interest | | (2,778,372) | (2,629,295) |
| **Net cash provided by operating activities** | | **16,073,484** | **13,808,322** |
| **INVESTING ACTIVITIES** | | | |
| Acquisition of subsidiaries, net of cash acquired and acquisition of joint ventures and associates | 4.5, 4.6 | (2,828,535) | (16,164,155) |
| Loss of control over subsidiaries, net of cash disposed of and sale of joint ventures and associates | | 8,596,676 | 500,000 |
| Additions to non-current assets, including capitalized interest and investment property | | (14,744,341) | (12,327,533) |
| Interest received | | 688,511 | 486,702 |
| Dividends received, including dividends from joint ventures and associates | | 467,117 | 734,772 |
| Proceeds from sale of non-current assets | | 1,191,830 | 814,564 |
| Loans made | | (870,251) | (51,499) |
| Repayments of provided loans | | 93,368 | 57,767 |
| **Total cash used in investing activities** | | **(7,405,625)** | **(25,949,382)** |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | 18.5 | 24,362,175 | 28,878,118 |
| Payments of borrowings | 18.5 | (32,344,714) | (15,173,804) |
| Proceeds from other liabilities | 18.5 | 904,148 | 1,205,664 |
| Payments of other liabilities | 18.5 | (2,206,393) | (917,296) |
| Payments of lease liabilities | 18.5 | (1,479,236) | (1,411,619) |
| Dividends paid to company's shareholders | | (7,000) | - |
| Dividends paid to non-controlling interests | | (10,900) | (16,246) |
| Acquisition of non-controlling interests | 4.5, 4.6 | (48,003) | (40,334) |
| **Net cash provided by / (used in) financing activities** | | **(10,829,923)** | **12,524,483** |
| Net effect of currency translation on cash | | 26,089 | 84,824 |
| **Net increase / (decrease) in cash and cash equivalents** | | **(2,135,975)** | **468,247** |
| **Cash and cash equivalents at beginning of period** | | **10,449,199** | **9,980,952** |
| **Cash and cash equivalents at end of period** | **12** | **8,313,224** | **10,449,199** |
| | | | |
| **Supplementary cash flow information** | | | |
| Total cash paid for interest | | (2,810,476) | (2,659,737) |


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AGROFERT operations are in the hands of professional management that has the full confidenceof the company shareholders.

AGROFERT's Board of Directors reflects the structure of the Group's segments. The nine-member Board of Directors comprises, from left, **Jaroslav Kurčík** (Board Member responsible for the Bakeries segment), **Alexej Bílek** (Board Member), **Simona Sokolová** (Board Member responsible for the Dairies, Frozen Pastries, White Meat and Red Meat segments), **Josef Mráz** (Vice-Chairman of the Board responsible for the Agriculture, Forestry, Machinery and Technology segments and Executive Director), **Zbyněk Průša** (Chairman of the Board of Directors responsible for the Specialty Chemicals segment), **Petr Cingr** (Vice-Chairman of the Board of Directors responsible for the Fertilisers, Fuels and Renewable Resources segment), **Petra Procházková** (Member of the Board of Directors and Chief Financial Officer), **Jiří Haspeklo** (Member of the Board of Directors) and **Libor Němeček** (Member of the Board of Directors and Director of Mergers, Acquisitions and Corporate Finance).

## AGROFERT Group

## Consolidated Statement of Changes in Equity for the year ended 31 December 2024

| In CZK thousands | Share capital | Share premium | Translation difference | Cash flow hedge reserve | Revaluation reserve | Retained earnings | Total equity holders of the parent | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | Attributable to equity holders of the parent | | | | | | | | |
| **As at 31 December 2023** | **628,000** | **31,736** | **(4,089,815)** | **171,577** | **8,125** | **108,350,067** | **105,099,690** | **(50,305)** | **105,049,385** |
| Profit for the year 2023 | | - | - | - | - | 2,064,545 | 2,064,545 | 21,394 | 2,085,939 |
| Other comprehensive income 2023 | - | (1,136) | 1,674,224 | (112,541) | 14,347 | (13,280) | 1,561,614 | (4,874) | 1,556,740 |
| **Total comprehensive income** | **-** | **(1,136)** | **1,674,224** | **(112,541)** | **14,347** | **2,051,265** | **3,626,159** | **16,520** | **3,642,679** |
| Dividends | - | - | - | - | - | - | - | (15,237) | (15,237) |
| Acquisition of subsidiaries (Note 4.4) | - | - | - | - | - | - | - | 219,268 | 219,268 |
| Acquisition of non-controlling interests (Note 4.6) | - | - | - | - | - | (9,849) | (9,849) | (211,047) | (220,896) |
| Put options held by non-controlling interests | - | - | - | - | - | (4,423) | (4,423) | 3,903 | (520) |
| **As at 31 December 2023** | **628,000** | **30,600** | **(2,415,591)** | **59,036** | **22,472** | **110,387,060** | **108,711,577** | **(36,898)** | **108,674,679** |
| Profit for the year 2024 | - | - | - | - | - | 6,954,624 | 6,954,624 | 137,191 | 7,091,815 |
| Other comprehensive income 2024 | - | - | 610,140 | (61,578) | - | (3,775) | 544,787 | (3,610) | 541,177 |
| **Total comprehensive income** | **-** | **-** | **610,140** | **(61,578)** | **-** | **6,950,849** | **7,499,411** | **133,581** | **7,632,992** |
| Dividends | - | - | - | - | - | (7,000) | (7,000) | (10,900) | (17,900) |
| Acquisition of subsidiaries (Note 4.5) | - | - | - | - | - | - | - | 81,998 | 81,998 |
| Acquisition of non-controlling interests (Note 4.3) | - | - | - | - | - | 48,837 | 48,837 | (96,840) | (48,003) |
| Loss of control over subsidiaries | - | - | (8,115) | 775 | - | - | (7,340) | (5,979) | (13,319) |
| Put options held by non-controlling interests | - | - | - | - | - | 3,056 | 3,056 | (3,056) | - |
| **As at 31 December 2024** | **628,000** | **30,600** | **(1,813,566)** | **(1,767)** | **22,472** | **117,382,802** | **116,248,541** | **61,906** | **116,310,447** |

# AGROFERT Group

## Notes to the Consolidated Financial Statements as at 31 December 2024

## 1 Description of the Group

AGROFERT, a.s. (hereinafter also "the Parent Company", "the parent company" or "the Company") is a joint-stock company incorporated on 1 July 2000 in the Czech Republic. The Company's registered office is located at Pyšelská 2327/2, Chodov, 149 00 Prague 4, Czech Republic. The Company's business registration number (IČ) is 26185610.

On 2 December 2024, AB private trust I, svěřenský fond, ended and the administered assets, i.e. 89.96% of the shares of AGROFERT, a.s. a 100% of the shares of SynBiol, a.s., were transferred back to Ing. Andrej Babiš.

As at 31 December 2023, all 628 ordinary shares of AGROFERT, a.s., representing 100% of both the voting rights and share capital of the Company (hereinafter "the Shares"), were placed into AB private trust I, svěřenský fond, and AB private trust II, svěřenský fond.

Of the Shares, 565 shares was held by AB private trust I, svěřenský fond, administered by trustee Ing. Zbyněk Průša, born on 6 December 1953, residing at Sluneční 2355, 756 61 Rožnov pod Radhoštěm, Czech Republic. The following individuals served as protectors: JUDr. Alexej Bílek, CSc., born on 3 December 1954, residing at Podhořská 770/12, Dolní Chabry, 184 00 Prague 8, Czech Republic; Mgr. Václav Knotek, born on 12 March 1975, residing at Achátová 191/12, Radotín, 153 00 Prague 5, Czech Republic; and Ms. Monika Babišová, born on 14 June 1974, residing at Františka Zemana 876, 252 43 Průhonice, Czech Republic.

Of the Shares, 63 shares are held by AB private trust II, svěřenský fond, administered by trustee JUDr. Alexej Bílek, CSc., born on 3 December 1954, residing at Podhořská 770/12, Dolní Chabry, 184 00 Prague 8, Czech Republic. The following individuals serve as protectors: Ing. Zbyněk Průša, born on 6 December 1953, residing at Sluneční 2355, 756 61 Rožnov pod Radhoštěm, Czech Republic; Mgr. Václav Knotek, born on 12 March 1975, residing at Achátová 191/12, Radotín, 153 00 Praha 5, Czech Republic; and Ms. Monika Babišová, born on 14 June 1974, residing at Františka Zemana 876, 252 43 Průhonice, Czech Republic.

As at 31 December 2024, the Company is controlled by Ing. Andrej Babiš, date of birth 2 September 1954, residing at Františka Zemana 876, 252 43 Průhonice, the Czech Republic as the controlling shareholder (hereinafter "the Controlling shareholder").

As at 31 December 2023, the Company was controlled by Ing. Zbyněk Průša, born on 6 December 1953, residing at Sluneční 2355, 756 61 Rožnov pod Radhoštěm, Czech Republic, the trustee of AB private trust I, svěřenský fond.

The Company is the parent of the AGROFERT Group and the consolidating entity. The Group is involved in manufacturing, trade, services and sales in the agriculture, food, chemical, media and forestry sectors. The Group includes companies that are under the control of the Company. The consolidated financial statements comprise information of the parent company AGROFERT, a.s. and its subsidiaries included in consolidation ("the Group" or "the AGROFERT Group"). For the specification of Group companies, refer to Note 2.3.1; for the list of Group companies, refer to Note 4.

### 1.1 Group Management

Day-to-day business operations of Group companies is the responsibility of their management. Strategic and long-term decisions concerning acquisitions, principal investments and key orientation of the Group are subject to the approval of Group management. The Board of Directors is the highest managing authority of the Parent Company and is responsible for business management and represents the Company in any matters other than those that, pursuant to the requirements of the Company's statutes or of the law, fall within the remit of the General Meeting of Shareholders or of the Supervisory Board. The Supervisory Board is a supervisory body that supervises activities of the Board of Directors and of the Company.

Members of Group management were as follows as at 31 December 2024:

**Board of Directors**

| | |
|---|---|
| Chair: | **Ing. Zbyněk Průša** |
| Vice-chair: | **Ing. Petr Cingr** |
| Vice-chair: | **Ing. Josef Mráz** |
| Member: | **JUDr. Alexej Bílek** |
| Member: | **Ing. Jiří Haspeklo** |
| Member: | **Ing. Jaroslav Kurčík** |
| Member: | **Mgr. Libor Němeček** |
| Member: | **Ing. Petra Procházková** |
| Member: | **PhDr. Simona Sokolová** |

**Supervisory Board**

| | |
|---|---|
| Chair: | **Mgr. Václav Knotek** |
| Vice-chair: | **Ing. Karel Vabroušek** |
| Member: | **Ing. Hana Valešová** |

# 2 Summary of Significant Accounting Policies

Translation note

This version of the financial statements is a translation from the original, which was prepared in the Czech language.

All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over this translation.

## 2.1 Basic Principles of Preparing the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in effect as at 31 December 2024, and contains information of the parent company AGROFERT, a.s. and of its subsidiaries. For the specification of the companies, see below. The list of the companies is presented in Note 4.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Similar transactions and accounting events are presented in the consolidated financial statements using consistent accounting principles. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the AGROFERT Group.

## 2.2 Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements are presented in thousand Czech crown (CZK thousand), rounded to the nearest thousand, hence rounding differences may arise. The consolidated financial statements have been prepared under the historical cost convention, except when IFRSs require other measurement basis (such as in the case of biological assets, derivatives and investment properties, which are based on fair value). The consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

Disclosed figures in the consolidated financial statements are presented with the same plus or minus signs (+/-) as the figures in the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity.

## 2.3 Consolidation Approach

### *2.3.1 Subsidiaries*

Subsidiaries included in consolidation are those entities that the Group "controls" (within the meaning of control defined by IFRS). Specifically, the Group controls an investee if, and only if, the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

b) Exposure, or rights, to variable returns from its involvement with the investee;

c) The ability to use its power over the investee to affect Group's returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee;

b) Rights arising from other contractual arrangements;

c) The Group's voting rights and potential voting rights (potential voting rights are considered only if the rights are substantive, i.e. the holder must have the practical ability to exercise the right).

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control is lost. For the sake of simplification and when the difference is immaterial from the point of the Group, the acquisition date or the loss-of-control date is the last day of the month in which the acquisition or loss of control occurred. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group had control. Material transactions occurring between the acquisition date / loss-of--control date and the last day of the month are assessed on a case-by-case basis and only considered if relevant and material.

### *2.3.2 Business Combinations, Goodwill and Non-controlling Interests*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognized in accordance with IFRS 9 in profit or loss. Changes in the fair value of contingent consideration classified as equity are not recognized.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired ("negative goodwill"), then the Group first reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after the reassessment is recognized immediately in profit or loss.

Goodwill is not depreciated but is subject to, at least, annual impairment testing on the basis of the cash generating units to which it is allocated. An impairment loss recognized for goodwill in the interim consolidated financial statements may not be reversed in the annual IFRS consolidated financial statements.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Losses within a subsidiary incurred are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted as an equity transaction.

Put options for acquisition of non-controlling interests are recorded as derecognition of non-controlling interest and recognition of a liability at the end of the reporting period. The liability is recognized at the present value of the amount payable on exercise, and any difference between the amount of non-controlling interest derecognized and this liability is accounted for within equity. Subsequent changes to the present value of the amount payable on exercise are recorded directly in equity. In the statement of cash flow, the payments of liabilities arising from the put option are presented as acquisition of non-controlling interests.

## 2.4 Investments in Associates

The Group's investments in associates are accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. In case of loss of control of subsidiary where the Group retains significant influence, the Group measures and recognizes any retaining investment at the fair value as at the date of loss of control. The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of this investee is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

If a Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group's financial statements. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Associates whose fiscal year differs from a calendar year present financial statements prepared for their fiscal year or for the interim period (see Note 4.2), unless the time difference is material from the point of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

## 2.5 Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary considerations to determine control over subsidiaries. The Group recognizes its interest in the joint venture using the equity method of accounting.

The financial statements of the joint venture are prepared for the same reporting period as the Group's financial statements. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealized gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

## 2.6 Use of Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements requires management of the Group companies to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Group companies has made these estimates and assumptions on the basis of all the relevant information available. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

The significant estimates and assumptions, that might pose a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next periods are discussed below:

*Biological Assets*

As at the balance sheet date, biological assets are measured at fair value less estimated costs to sell, which is the value a biological asset would have if sold or transferred to agricultural produce, assuming its best use. Remeasured biological assets as at the balance sheet date include the following: a) plant commodities, in particular oilseed rape and wheat, which represent the Group's primary plant produce, most exposed to price fluctuations; and b) animal assets for meat production (cattle, pig meat and poultry) and dairy cattle. Fair values are based on market prices (Euronext) of plant commodities, meat and milk, as applicable for the European region, and take into account expected costs of asset transformation. The costs of asset transformation include, in particular, feed costs calculated per day for animal assets multiplied by the number of days animals are expected to be fed, and costs calculated per a ton of plant production to be incurred until the point of harvest. The fair valuation model for plant commodities also includes estimated crop per 1 ha of sawn area, which is based on historical data. Accordingly, the calculation of fair value less estimated costs to sell is based either on i) current market prices if available, or ii) the sum of current warehouse prices and estimated total margin to be generated on sale or transfer to agricultural produce, or iii) revenue from asset produce (assuming revenue is generated at market prices used for fair value calculations) less total asset costs over the transformation.

Agricultural products relating to harvests made prior to the balance sheet date are recognized as inventory as at the balance sheet date and measured at fair value of the agricultural products at the point of harvest less estimated costs to sell and less any write-down to net realizable value as at the balance sheet date. If an active market does not exist for the assets, the Group uses one or more relevant indicators of the agricultural sector to determine fair values; the indicators represent the best available basis to determine market price estimates.

Actual market prices and actual asset transformation costs may differ from these estimates. For assets with a longer transformation cycle, fair value movements are measured on a periodic basis, separately for the effects of market price changes and calculation assumption changes.

The Group carries out agricultural primary production in the area of plant production and livestock farming mainly in the Czech Republic, Slovakia and Hungary; dozens of Group companies are involved, which operate in completely different climatic as well as economic conditions, and make use of highly variable soil quality. The effects of calculation assumption changes may therefore be very diverse. For fair value measurement of individual biological assets a standardized approach is used by the Group. However, when determining the calculation assumptions for measurement within individual production centres, there may be significantly different input parameters, in particular for determining transformation costs or assumptions relevant for yield per hectare pertaining to the area under cultivation etc. The variability of production conditions thus determines the variability of valuation model inputs and derives primarily from soil quality, climatic factors (altitude, rainfall, temperature, etc.), local legislation specifics (such as options for crop chemical treatment, livestock farming conditions or protected landscape areas regulations), differences between breeds or wage costs in the region. Managerial estimates based on the assumptions for a given period along with the respective growing or fattening plan are always regularly updated and reviewed with respect to actual relevant indicators, whether internal (feed costs calculated per day or the like), or external (such as state administration publications on the state of agriculture and its projected development).

### *Useful Lives of Non-current Assets*

The asset's useful lives and depreciation and amortization methods are reviewed, and adjusted if appropriate, at each balance sheet date in respect of new knowledge of actual assets conditions and related investment plan in future years.

### *Provisions and Liabilities*

The Group recognizes provisions for obligations to decommission and reclaim areas affected by industrial activities, restructuring provisions and recognizes liabilities related to employee benefits (see Note 2.24). The provisions recognized represent the best estimates of the expenditures required to settle the present obligation at the balance sheet date. Such cost estimates, expressed at current price levels, are discounted at 31 December 2024 and 2023 using a long-term estimated rate of interest ranging from 2.4 – 7.3% and from 2.0 – 6.3% per annum, to take into account the timing of payments in each country where the Group operates. The similar discount rate is used for determining the present value of long-term employee liabilities.

### *Income Tax*

The countries where the Group currently operates have a number of laws related to various taxes imposed by governmental authorities. Often, differing opinions regarding the interpretations of tax and customs legislation and of grant rules exist. Moreover, few precedents with regard to the application and implementation of these laws and regulations have been established. Management decisions in the tax area are subject to possible review and investigation by a number of authorities, who are enabled by law to impose fines, penalties and interest charges. Group management believes that all tax liabilities have been duly recognized. If the level of a tax liability remains uncertain, the liability is recognized on the basis of either the most likely outcome or the expected value depending on which method the Group expects to better predict the resolution of the uncertainty.

The Group recognized a provision for deferred income taxes in consideration of the temporary differences. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and the measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of assets and liabilities. Where the final tax-deductible expenses are different from the amounts that were calculated, such differences will impact the current income and deferred tax provisions in the period in which such determination is made. The Group included in its calculation of deferred tax a tax credit from investment incentives, taking into account the expected scope of their realization. The extent to which the investment tax credit will be utilized depends on the level of taxable profits to be achieved. The management of the Group believes that future taxable profits will be available against which the unused tax credit can be utilized.

### *Goodwill and Impairment of Non-current Non-financial Assets*

The Group tests goodwill for impairment annually or more frequently, when there are indicators that goodwill may be impaired, taking into consideration both internal and external sources of information. However, goodwill does not generate cash flows independently of other assets or groups of assets and the assessment of its carrying value is significantly impacted by the management's assessment of the performance and expected future performance of the operation (cash-generating unit) to which the goodwill relates. The Group has identified cash-generating units with allocated goodwill, which include groups of assets that independently generate cash flows and whose cash flows are largely independent of the cash flows generated by other groups of assets. When determining the cash-generating units, the Group also considered how the groups of assets were managed and how the related decisions were adopted, and also the interdependence of the groups of assets. The impairment test involves determining the recoverable amount of the cash-generating unit, which corresponds, except for the media segment, to the value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. Value in use is determined on the basis of present value of future cash flows attributable to the cash-generating unit and is assessed internally by the Group's management. Value in use is determined based on cash flow projection, generally for a period of 5 years. The cash flow projection is based on the past experience, as well as on future market trends.

As at 31 December 2023, for the media segment, the recoverable amount was determined under an agreement to sell all shares and ownership interests entered into by and between AGROFERT, a.s. and KAPRAIN CHEMICAL LIMITED on 1 September 2023. The transaction was settled as at 1 February 2024.

If there is any indication of impairment of other non-current non-financial assets, the Group determines the recoverable amount of those assets, which corresponds to their value in use. Value in use is determined mainly using the present value of future cash flows (for details, see Note 2.10).

The calculation of value in use of a cash-generating unit is affected, in particular, by the following assumptions:

- **Gross margin** – Gross margin is projected based on prior-period developments and on current projections of both market and non-market parameters, while considering the need to improve operating efficiency.
- **Price developments of basic raw materials, utilities and services** – Assumptions are derived from publicly available indices applicable to the country where the raw materials are sourced; the same applies to commodity data etc. Expected values

are used if available; if it is not the case, actual historical prices of raw materials are used as an indicator of future price developments.

- **Discount rate** – Discount rate reflects the risk exposure of a cash-generating unit determined by company management. The calculation of a discount rate is based on weighted average cost of capital (WACC). The annual discount rates used as at 31 December 2024 and 2023, as shown below, reflect the specifics of the regions where the cash-generating units operate.

- **Expected growth rate** – Growth rate is derived from expected market developments and from expected developments of the regulatory environment where the cash-generating units operate. The Group usually applies the perpetual growth rate of 2% per year, which reflects the expected increase of inflation in the period.

Annual discount rates by industries applied to determine the value in use for the purpose of impairment testing of goodwill and of other non-current non-financial assets performed at the balance sheet date are as follows:

| Date | Chemistry | Food industry | Primary production of agricultural products, livestock farming and trade and services | Other |
|---|---|---|---|---|
| 31 December 2024 | 7.31–8.13% | 5.45–10.90% | 6.13–10.48% | 6.13% |
| 31 December 2023 | 7.28–7.48% | 5.98–11.50% | 6.78–11.09% | 6.78% |

Breakdown of goodwill by cash-generating units as at 31 December 2024 and 2023 is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| “Red meat” group companies | 94,244 | 118,825 |
| IKR Agrár | 224,192 | 236,425 |
| GreenChem | 202,273 | 198,578 |
| NAVOS | 183,913 | 183,913 |
| Cerea | 162,704 | 31,318 |
| NT | 439,740 | 463,735 |
| PENAM | 363,016 | 363,016 |
| Primagra | 54,248 | - |
| TOP HOP | - | 11,679 |
| Other | 210,766 | 210,766 |
| **Total** | **1,935,096** | **1,818,255** |

Goodwill movements in 2024 and 2023 can be analysed as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| **Opening balance as at 1 January** | **1,818,255** | **2,789,317** |
| Newly consolidated companies (see Note 4.5, 4.6) | 231,420 | 197,117 |
| Goodwill impairment and write-offs (see Note 24) | (82,046) | (116,035) |
| Transfers to Assets classified as held for sale (see Note 9) | - | (1,106,233) |
| Exchange rate gain/(loss) | (32,533) | 54,089 |
| **Closing balance as at 31 December** | **1,935,096** | **1,818,255** |

In 2024, goodwill impairment included, in particular, the impairment of goodwill of the “Red meat” group companies and TOP HOP cash-generating units.

As at 31 December 2024, goodwill impairment tests show relatively low sensitivity to the changes in key assumptions in these tests, except for the “Red meat” group companies cash-generating unit. If the discount rate of the “Red meat” group companies cash-generating unit increased by approximately 0.2% (relative change of the discount rate by approximately 2%) while all the other parameters remained unchanged, the related goodwill would be presented as fully impaired as at 31 December 2024.

### *Revenue from Contracts with Customers*

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

*Determining the timing of satisfaction of media, transportation and forestry services*

The Group concluded that revenue for media, transportation and forestry services is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. If the performance obligation would need to be completed by another entity, the another entity would not need to re-perform the service that the Group has provided to date. This fact demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The Group determined that the input method is the best method in measuring the progress of the media, transportation and forestry services because there is a direct relationship between the Group's effort (i.e. cost incurred or labour hours expended or other resources consumed), and the transfer of service to the customer. The Group recognizes revenue on the basis of the costs, labour hours or other resources consumed relative to the total costs, labour hours or other resources expected to be expended to complete the service.

*Determining method to estimate variable consideration and assessing the constraint*

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group decided to apply the expected value method. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### *Leases*

The Group has applied judgement to determine lease terms for some lease contracts that include options to extend or terminate a lease or contracts concluded for an indefinite period. The assessment of whether the Group is reasonably certain to exercise such options and how long the Group will use the underlying assets under contracts for indefinite period impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognized.

A lessee is required to reassess the lease term upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and that affects the probability of exercising an option to extend or terminate a lease, or the assessment of how long the Group will use underlying assets from contracts concluded for an indefinite period.

The Group has used the following assumptions to determine the lease terms of land held by the companies involved in primary production of agricultural products and livestock farming; assumptions are revised annually or more frequently if the Group has information about their changes:

- In the case of contracts concluded for an indefinite period with notice of termination, the lease term corresponds to the notice period which begins to run from the earliest notice of termination date. Both the lessee and the lessor usually have the right to terminate the lease without the consent of the other party and with only a minor penalty.

- The lease term for contracts concluded for an indefinite period without notice of termination and for contracts with related parties is usually estimated at 10 years from the end of the previous year.

The lease payments included in the measurement of the lease liability include the exercise price of an option to purchase the underlying asset if the lessee is reasonably certain to exercise that option.

Lessee's incremental borrowing rates by industries applied on new, modified or reassessed (except for change in future lease payments due to a change in an index or rates used to determine those payments) lease liabilities recognized as at 31 December 2024 and 2023 are as follows:

| Date | Chemistry | Food industry | Primary production of agricultural products and livestock farming and trade and services | Media | Other |
|---|---|---|---|---|---|
| 31 December 2024 | 2.85–8.77% | 3.05–8.97% | 3.25–9.17% | 3.15–9.05% | 3.09–9.01% |
| 31 December 2023 | 1.22–8.46% | 1.42–8.66% | 1.62–8.86% | 1.52–8.76% | 1.46–8.70% |

## 2.7 Revenue

### *Revenue from Contracts with Customers*

The Group is engaged in the production, trade, and provision of services in the chemicals, food, media, forestry and agriculture business, sale of vehicles and machines. Revenue from contracts with customers is recognized when control of the goods, products or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, products or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods, products or services before transferring them to the customers.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.6.

### *Sale of Products and Goods in the Chemical, Food and Agricultural Industries and Sale of Vehicles and Machines*

Revenue from the sale of products and goods in chemical, food and agricultural industries and sale of vehicles and machines is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of products and goods, taking into account the contractual terms of a transaction, which are generally covered by INCOTERMS (a series of pre-defined commercial terms, such as FCA, FOB, CIF, etc.).

The Group recognizes revenue in the amount of anticipated consideration (net of expected discount) that it is expected to receive for goods or products transferred to the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of products and goods, the Group considers, apart from the fixed component, the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

*Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or products 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 recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Some contracts provide customers with volume rebates. The volume rebates give rise to variable consideration.

*Volume rebates*

The Group provides retrospective volume rebates to certain customers once the quantity of products and goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method during the year.

*Significant financing component*

Generally, the Group receives short-term advances from its customers or receives cash from the customers not more than after one year from the goods or product delivery. The Group does not adjust the promised amount of consideration for the effects of a significant financing component as it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

*Warranty obligations*

The Group typically does not provide any significant warranties to its customers other than assurance-type warranties.

### *Sale of Services – Media, Transportation and Forestry Services*

*Media, transportation and forestry services*

The Group provides media (mainly advertising), transportation and forestry services. The Group recognizes revenue from these services over time, using an input method to measure progress towards complete satisfaction of the media, transportation or forestry service (for details, see Note 2.6).

*Non-cash consideration*

The fair value of the non-cash consideration may vary because of the form of the consideration. The Group provides barter transactions in media services involving the exchange of advertising for advertising of CZK 16,130 thousand in 2024 and CZK 281,611 thousand in 2023. The revenue is recorded at the fair value of non-cash and cash consideration received or promised from the customer. The fair value is measured at contract inception in accordance with IFRS 13 Fair Value Measurement. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly on the basis of the separate selling price of the advertising services.

### *Contract Balances*

*Contract assets*

A contract asset is the right to consideration in exchange for goods, products or services transferred to the customer. If the Group performs by transferring goods, products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

*Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). For more information refer to accounting policies of financial assets in Note 2.15.

*Contract liabilities*

A contract liability is the obligation to transfer goods, products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods, products or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

*Assets and liabilities arising from rights of return*

The Group has not agreed any contract which provides a customer with a significant right to return the goods within a specified period.

### *Interest Income*

For all financial instruments subsequently measured at amortized cost, interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

### *Dividends*

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.8 Transactions in Foreign Currencies

The consolidated financial statements are presented in Czech crowns, which is the functional and presentation currency of the Parent Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in equity for qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The statement of profit or loss items of foreign subsidiaries are translated at average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognized in the statement of profit or loss as a component of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

The Group applies the exchange rates published by the Czech National Bank for the calculation of assets and liabilities denominated in foreign currencies.

## 2.9 Biological Assets

When they relate to agricultural activity, the accounting treatment of the following items is in line with IAS 41 Agriculture and differs from the accounting policies governing the measurement and recognition of other non-current and current assets:

a) Biological assets;

b) Agricultural product at the point of harvest;

c) Government grants for agricultural activity.

Agricultural product is the harvested product of the entity's biological assets at the point of harvest. After harvest, agricultural product is treated as inventory. Agricultural product is measured at its fair value less estimated costs to sell at the point of harvest and is not remeasured subsequently. Net book value of non-current biological assets is expensed as part of write-offs on liquidation or transfer to further processing. Such measure is the cost at that date when applying IAS 2 Inventories.

Biological assets are measured on initial recognition and at the end of each reporting period at their fair value less estimated costs to sell. Change in fair value of a biological asset is included in profit or loss in the period in which it arises.

If an active market does not exist, the Group uses one or more of the following in determining fair value:

- The most recent market price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the balance sheet date;
- Market prices for similar assets with adjustment to reflect differences;
- Sector benchmarks such as the value expressed per hectare, the value of cattle expressed per kilogram of meat, etc.

If, on initial recognition, the fair value of a biological asset cannot be measured using market-determined prices as these are not available, alternative estimates of fair value such as discounted cash flows or costs less any impairment losses are used. Such measurement, given the generally rather low realized margins and best possible use of the asset, approximates fair value. If alternative estimates of fair value are determined to be clearly unreliable, the biological assets are measured at its cost less any impairment losses. Once the fair value of such biological assets becomes reliably measurable, the assets are measured at fair values.

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognized in profit or loss when the government grant becomes receivable. If a government grant related to a biological asset measured at its fair value less costs to sell is conditional, it is recognized in profit or loss when, and only when, the conditions attached to the government grant are met.

Classification between current and non-current biological assets is based on the expected life of the underlying biological assets. Current plant biological assets are those that are to be harvested as agricultural produce within a period of one year or longer period, if normal operating cycle related to these assets is longer than one year and the asset could be realized in one year or later, depending on demand and circumstances (up to 6 years immature trees in nurseries). Current animal biological assets are those that are to be grown within a period of one year, have not yet calved or are intended for further processing (e.g. cow for slaughtering).

## 2.10 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in profit or loss. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use including the borrowing costs. The cost of property, plant and equipment, which was valued using the fair value in an acquisition, is recognized using the fair value and the effect of the revaluation is adjusted in the historical cost. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expense in the period in which the costs are incurred. When each major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment, if the recognition criteria are satisfied.

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of its property, plant and equipment to determine whether such amounts continue to exceed the assets' carrying values. Identified impairment of property, plant and equipment is recognized directly in profit or loss as impairment allowance against property, plant and equipment.

At each balance sheet date, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. For key assumptions applied in determining recoverable amounts, see Note 2.6.

The Group depreciates the original cost of property, plant and equipment less its residual value by using the straight-line method over the estimated economic lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable useful lives used for property, plant and equipment are as follows:

| | |
|---|---|
| 20 – 50 years | Buildings and structures |
| 2 – 20 years | Machinery and equipment |
| 3 – 4 years | Office equipment |
| 4 – 6 years | Passenger cars |
| 4 – 15 years | Other vehicles |

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

Construction-in-progress represents property, plant and equipment under construction and is stated at cost. This includes cost of construction, plant and equipment and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

## 2.11 Leases

The Group determines whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if it conveys the right to use the underlying asset for a period of time in exchange for consideration. The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

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

A term of a lease is the non-cancellable period for which the lessee has the right to use the underlying asset, taking into account any options to extend or terminate a lease, if it is reasonably certain that the lessee will (not) exercise those options.

Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable from the lessor; variable lease payments that depend on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that purchase option; payments for penalties for terminating a lease, if the lease term reflects the lessee exercising an option to terminate the lease; amounts expected to be payable by the lessee under residual value guarantees; and residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee (lessors only).

### *The Group as a Lessee*

The Group, as a lessee, recognizes assets and liabilities for all leases and similar contracts, except for short-term and low-value leases of assets, which are recognized as expense in the statement of profit or loss.

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and which does not contain an option to purchase the underlying asset.

Lease contracts with the value of the underlying asset not exceeding EUR 5,000 are considered leases of a low-value asset. A lessee assesses the value of an underlying asset based on the value of the asset when it is new, regardless of the age of the asset being leased.

The Group does not apply IFRS 16 Leases on the lease of intangible and biological assets. Such lease arrangements are recognized as an expense in the statement of profit or loss .

In the balance sheet, right of use assets are presented separately within non-current assets. Right of use assets that meet the definition of investment property are measured and recognized in accordance with IAS 40 Investment Property. Lease liabilities are recognized as long-term and short-term liabilities based on their maturity.

At the commencement date, the right of use asset is initially measured at cost, which consists of the amount of the initial measurement of the lease liability; any lease payments made to the lessor at or before the commencement date, less any lease incentives received from the lessor; any initial direct costs incurred by the lessee; an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset and restoring the site on which the underlying asset is located.

Subsequent to the commencement date, the right of use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right of use asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the right of use asset. The depreciation period is the remaining useful life of the underlying asset if the cost of the right of use asset reflects that the lessee will exercise a purchase option or if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term.

At the commencement date, the lease liability is initially measured at the present value of outstanding lease payments to be made over the lease term, discounted by the implicit interest rate. If the implicit interest rate cannot easily be determined, the lessee uses the incremental borrowing rate (see Note 2.6).

The lease liability is subsequently increased by interest expenses from the lease and decreased by the lease payments made.

Subsequent to the commencement date, the lease liability is reassessed if there is a lease modification that is not recognized as a separate lease, or there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, or a change in an amount expected to be payable under a residual value guarantee, or when the lease term is changed because a Group company has reassessed whether it is reasonably certain to exercise an extension option or not to exercise a termination option. In addition, a Group company is required to adjust the carrying value of the right of use asset accordingly. If the carrying amount of the right of use asset has already been reduced to zero and there is a further reduction in the measurement of the lease liability, a Group company recognizes any remaining amount of the remeasurement in profit or loss.

If the Group (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, and if the transfer of the asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The financial liability is recognized within other sources of financing in the balance sheet lines Long-/Short-term bank and other loans and borrowings and is accounted for in accordance with IFRS 9.

### *The Group as a Lessor*

A lessor classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the underlying asset. In other cases, it is an operating lease.

*Finance leases*

At the commencement date of the lease, the lessor recognizes assets held under a finance lease in the balance sheet as receivables at an amount equal to the net investment in the lease. The net investment in the lease is calculated as the gross investment in the lease discounted using the interest rate implicit in the lease.

During the lease term, the net investment in the lease (finance lease receivable) is increased to reflect the interest income from the finance lease and reduced by the lease payments received from a lessee.

A finance lease receivable is subject to impairment and derecognition requirements in accordance with the Financial Assets policy in Note 2.15.

*Operating leases*

A lessor recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis, if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

## 2.12 Intangible Assets

Intangible assets are initially measured at their acquisition cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method are reviewed annually at each financial year-end.

Amortization periods for each group of non-current intangible assets are as follows:

| | |
|---|---|
| 3 – 5 years | Development |
| 2 – 5 years | Software |
| 6 – 25 years | Valuable rights |
| 6 years, as per registration | REACH – outputs of the registration and authorization of chemicals |
| 6 years | Other intangible assets |

Costs incurred in order to restore or maintain the future economic benefits that an enterprise can expect from the originally assessed standard of performance of existing intangible assets are recognized as an expense when the restoration or maintenance work is carried out.

Fully amortized non-current intangible assets that continue to be in use (generally the REACH registration costs) are only retired after the economic benefits generated by the asset cease.

Intangible assets are tested for impairment whenever facts or changes in circumstances indicate that the carrying amount could be impaired. The recoverable amounts of intangible assets not yet available for use and of non-amortizable non-current intangible assets are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Identified impairment of intangible assets is recognized directly in profit or loss.

For assets excluding goodwill an assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

*Goodwill*

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Goodwill on acquisitions of subsidiaries is presented separately in the balance sheet. Goodwill on acquisitions of associates and joint ventures is included in the balance sheet in investments in associates and joint ventures. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill recognized separately is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

*Emission Allowances*

Emission allowances represent the right of the owner of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year equivalent of one ton of carbon dioxide. Based on the National Allocation Plans certain companies of the Group have been granted emission rights free of charge. These companies are responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an authorized person.

By a specified date, the companies are required to remit a number of allowances representing the number of tons of greenhouse gases actually emitted in previous year. At this point, the intangible assets and the related provision for emission allowances are derecognised.

The emission allowances which were granted free of charge are stated at their nominal value, i.e. at zero. Purchased emission rights are carried at cost (except for emission rights for trading). Emission rights acquired in a business combination are initially recognized at their fair value at the date of acquisition and subsequently treated similarly to purchased emission rights. The Group recognizes a provision to cover emissions made in excess of granted free-of-charge emission rights. This provision is measured firstly at the carrying amount of the granted and purchased emission rights and credits held by the Group at the balance sheet date and for the amount exceeding those, at the market value at the balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication that emission rights may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of the cash- generating units, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. Any identified impairment of emission rights is recognized directly in profit or loss.

*REACH*

The costs to register chemical substances (REACH costs) are capitalized and amortized over the period over which the registration is expected to be available for use, i.e. in most cases over the estimated useful life of the registered chemical substance. If the Group company is not able to assess reliably the useful life of the registered chemical substance, the registration is amortized over the period of six years.

## 2.13 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories do not include biological assets and agricultural products at the point of harvest; agricultural products are only recognized as inventories after the point of harvest.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost does not include, in particular, interest on loans granted to acquire inventories.

Internally developed finished products and work-in-progress are recorded at actual cost, which includes direct costs and overhead costs. Overhead costs comprise production overheads corresponding to normal capacity of production facilities. Administrative overhead costs are excluded from overhead costs and from the value of inventories.

Agricultural product after harvest is measured at fair value less estimated point-of-sale costs determined at the point of harvest. At each balance sheet date, the Group assesses whether there is any indication that these inventories may be impaired; any write-down to net realizable value is recognized in profit or loss.

## 2.14 Borrowing Costs

The Group capitalizes all interest incurred in connection with its construction program that theoretically could have been avoided if expenditures for the qualifying assets had not been made. The qualifying assets include assets for which the construction is in progress over a longer period of time (usually more than three months).

## 2.15 Financial Assets

The Group's financial assets comprise mainly cash, debt financial assets (especially receivables) and investments in equity instruments of another entity.

*Measurement of Financial Assets*

Financial assets are classified into three measurement categories: (a) assets measured subsequently at amortized cost; (b) assets measured subsequently at fair value through other comprehensive income (FVOCI); and (c) assets measured subsequently at fair value through profit or loss (FVPL).

Debt financial assets are subsequently measured at amortized cost if both the following conditions are met:

- The financial asset is held within a business model that has the objective to hold the assets to collect the contractual cash flows; and

- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt financial assets are measured at fair value through other comprehensive income (with gains or losses transferred to the statement of profit or loss on derecognition) if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. On derecognition, gains or losses are not reclassified to the statement of profit or loss . The election is made contract by contract.

All other financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. The Group may irrevocably designate a financial asset at fair value through profit or loss (Fair Value Option), when it eliminates or significantly reduces a measurement or accounting mismatch that might otherwise arise.

When financial assets are recognized initially, they are measured at fair value, plus directly attributable transaction costs, except for financial assets subsequently measured at fair value through profit or loss, for which directly attributable transaction cost are recognized in the statement of profit or loss .

### *Recognition of Financial Assets*

The Group recognizes a financial asset in the consolidated balance sheet when, and only when, it becomes a party to a contractual provision relating to a financial instrument.

A financial asset is derecognized when the contractual rights to cash flows from the financial asset have expired or the Group has transferred its rights to the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets stipulated conditions. To qualify for a derecognition of a financial asset by transferring a contractual right to the cash flows of that asset, the Group either substantially transfers all risks and rewards of the financial asset or has not transferred or substantially held the risks and rewards, but has transferred control of the financial asset.

A financial asset is written off when the Group is certain that part or all of the financial asset will not be repaid. The cost of written-off financial assets is recognized in the statement oprofit or loss under Losses (-) / reversal of losses (+) on impairment financial assets, net.

Financial assets subsequently measured at amortized cost using the effective interest method are classified as current assets when their maturity is no more than 12 months after the balance sheet date. The portion of long-term assets due within less than 12 months from the balance sheet date is classified within current assets.

Financial assets subsequently measured at fair value through other comprehensive income or at fair value through profit or loss, other than investments in equity instruments, are classified as current or non-current assets, depending on the period in which they are settled. Investments in equity instruments are recognized as non-current assets. Dividend income from investments in equity instruments is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### *Impairment of Financial Assets*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. The Group at each reporting date first assesses whether the credit risk on that financial instrument has increased significantly since initial recognition. In case of significant increase, the Group creates loss allowance at an amount equal to the lifetime expected credit losses of the financial instrument. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For debt instruments at fair value through other comprehensive income or subsequently measured at amortized costs, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 3 months past due.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss . Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

## 2.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts with banks and short-term bank notes with a maturity of three months or less. Cash and cash equivalents denominated in foreign currencies are translated into Czech crowns using the exchange rates published as at the balance sheet date.

Restricted balances of cash and of other financial assets, which are presented within financial assets as restricted funds, mainly relate to deposits for waste storage reclamation. The non-current or current classification is based on the expected timing of the release of the funds to the Group. Cash deposited with mandatory deposits maintained for tax-deductible allocations of resources to cover scheduled overhauls of property, plant and equipment are always treated as cash because they usually include short-term assets, and their disposal is not restricted by third parties and any restrictions may be lifted at management discretion.

The Group reports separately in the statement of cash flows the drawings and the repayments of long-term loans and other sources of long-term financing. Cash flows of items, for which the turnover is quick, the amounts are large and the maturities are short (for example revolving loans), are reported on a net basis.

## 2.17 Grants and Subsidies

Government grants, including non-monetary grants, are measured at fair value and recognized only when there is reasonable assurance that the entity will comply with the grant's conditions and the grant will be received. Grants are recognized as income, on a systematic and rational basis, over the periods necessary to match them with the related costs that they are intended to compensate. Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset; operating grants are recognized in profit or loss. For agricultural activity grants, refer to Note 2.9.

## 2.18 Financial Liabilities

Financial liabilities represent, in particular, contractual obligations to deliver cash or another financial asset to another entity.

*Measurement of Financial Liabilities*

Financial liabilities are classified into two measurement categories: (a) liabilities measured subsequently at amortized cost; and (b) liabilities measured subsequently at fair value through profit or loss.

Financial liabilities subsequently measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition at fair value through profit or loss. Financial liabilities held for sale in the short-term are classified as trading liabilities. On initial recognition, these financial liabilities are measured at fair value. Related transaction costs are recognized in profit or loss. Fair value changes are recognized in profit or loss except for changes in fair value due to changes in the Group's credit risk, which are recognized in other comprehensive income.

Other financial liabilities are subsequently measured at amortized cost. This category includes trade and other payables, loans and borrowings. Financial liabilities in this category are initially measured at fair value less direct transaction costs and subsequently remeasured at amortized cost using the effective interest rate method. Related gains and losses are recognized in profit or loss when a financial liability is derecognized or by amortizing the effective interest rate.

*Recognition of Financial Liabilities*

The Group recognizes a financial liability in the consolidated balance sheet when, and only when, it becomes a party to a contractual provision relating to a financial instrument.

A financial liability is derecognized 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 recognized in the statement of profit or loss .

Financial liabilities are classified as current when the Group does not have the unconditional right to repay them within more than 12 months after the balance sheet date. The portion of long-term loans, borrowings or bonds due within less than 12 months from the balance sheet date is classified within current liabilities.

Long-term financial liabilities may include contract terms and conditions that must be met by Group companies. Any breach of these contract terms and conditions by a Group company could lead to the requirement of premature repayment of loans. If a Group company does not receive a creditor's consent with the breach by the balance sheet date the loan maturity is adjusted and the corresponding part of the loan for which the terms have been breached and which may be demanded by the creditor as due, is re-classified as short-term.

## 2.19 Derivatives

The Group uses derivative financial instruments such as commodity and foreign currency contracts and interest rate swaps to hedge its risks associated with price, rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. In the balance sheet such derivatives are presented as part of long- and short-term investments and other non-current and current payables.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges when they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

### *Fair Value Hedge*

Gain or loss from remeasuring the hedging instrument at fair value is recognized immediately in the statement of profit or loss . Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognized in the statement of profit or loss . Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to profit or loss over the remaining term to maturity.

### *Cash Flow Hedge*

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are initially recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the statement of profit or loss in the line item Other financial expenses and income, net.

Amounts accumulated in equity are transferred to the statement of profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recorded to the statement of profit or loss when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit or loss .

### *Other Derivatives*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of profit or loss .

### *Commodity Contracts*

According to IFRS 9 Financial Instruments, certain commodity contracts are treated as financial instruments and fall into the scope of the standard. Most commodity purchase and sales contracts entered into by the Group provide for physical delivery of quantities intended to be consumed or sold as part of its ordinary business; such contracts are thus excluded from the scope of IFRS 9.

Commodity contracts which fall under the scope of IFRS 9 are carried at fair value with changes in the fair value recognized in profit or loss.

## 2.20 Income Taxes

The provision for corporate tax is calculated in accordance with local tax jurisdictions of respective countries where the Group companies operate. Certain items of income and expense are recognized in different periods for tax and financial accounting purposes. For Czech entities, corporate income tax is calculated in accordance with Czech tax regulations and is based on the profit or loss reported under Czech accounting regulations, adjusted for appropriate permanent and temporary differences from Czech taxable profit. In the Czech Republic, income taxes are calculated on an individual company basis as the tax laws do not permit consolidated tax returns. Foreign subsidiaries proceed similarly, unless there is an exceptional case of common taxation over several subsidiaries in a subgroup.

The Group, in the jurisdictions in which the Group operates, obligatorily applies the international tax reform – model rules of BEPS Pillar Two for the period from 1 January 2024. The impact from this tax reform on the Group is not significant for the year 2024, especially with regard to the so-called safe harbors.

Deferred taxes are calculated using the balance sheet liability method. The deferred tax position is calculated separately for each Group company and reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable profit in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets and liabilities are recognized regardless of when the timing difference is likely to reverse. Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities in the consolidated balance sheets. The Group applied a mandatory temporary exception for the calculation and disclosure of deferred tax from transactions in connection with the application of the international tax reform – OECD BEPS Pillar Two model rules.

A deferred tax liability is recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. The Group concluded that investments incentives in the form of corporate income tax relief are considered to be tax credits treated under IAS 12 (these are realized only through reduction in taxes payable, are forfeited in case of insufficient taxes payable, are not taxable). Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, where it is not probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of a deferred tax asset is reassessed and reduced at each balance sheet date to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or entire deferred tax asset to be utilized.

Deferred tax assets and liabilities of Group companies are not offset in the balance sheet. The offset is only possible if the deferred tax assets and liabilities relate to income taxes within the same tax jurisdiction and the Group intends to settle its due tax payables and receivables on a net basis.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity. Change in the carrying amount of deferred tax assets and liabilities due to change in tax rate is recognized in the statement of profit or loss , except to the extent that it relates to items previously charged or credited to equity.

### 2.21 Provisions

The Group recognizes provisions for obligations to decommission and reclaim areas affected by industrial activities and restructuring provisions. In case of need, the Group provides for additional risks arising from its business activities by recognizing, e.g., provisions for litigation and other disputes, provisions for losses on onerous contracts (i.e. when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), provisions for emissions in excess of the threshold and for other risks.

A provision is recognized when, and only when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the estimated useful lives of the assets.

## 2.22 Investment Property

Investment property is property held by the owner or by the lessee as a right of use asset to earn rentals or for capital appreciation. An investment property is measured initially at its cost, which includes transaction costs. The cost of a purchased investment property comprises its purchase price, transaction costs and any directly attributable expenditure (such as professional fees, property acquisition taxes, etc.). Start-up costs are not capitalized as part of the carrying amount of an investment property unless they are necessary to bring the property to the condition necessary for it to be capable of operating. Operating losses incurred before the investment property achieves the planned level of occupancy are not capitalized either.

At the balance sheet date, investment property is remeasured to fair value; all changes in the fair value are recognized in profit or loss. Investment property is not depreciated.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

## 2.23 Non-Current Assets Classified as Held for Sale

Non-current 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. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

## 2.24 Employee Benefits

### *Short-term Employee Benefits*

Short-term employee benefits, such as wages, salaries, bonuses, social security contributions, paid annual leave and sick pay are reported as short-term payables to employees.

### *Long-term Employee Benefits*

Long-term employee benefits include remuneration paid to employees under a collective agreement on retirement and life and work anniversaries and are accounted for as long-term / short-term liabilities to employees. Liabilities are divided into long-term / short-term based on the expected settlement date and are accounted at the present value of the expected future payment. In calculating the present value of the expected future payment, demographic (fluctuations) and financial factors (discount rate) are taken into account.

### *Post-employment Benefits*

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund and severance plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group recognizes service costs comprising current service costs, gains and losses on curtailments and non-routine settlements, net interest expense or income and employer contribution in profit or loss in the period in which they occur.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

## 2.25 Related Parties

For the purposes of the consolidated financial statements, related parties in relation to the Group are:

a) Entities that are members of the group which is controlled by the shareholder of the Parent Company of Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

b) Entities that are an associate or joint venture (and their subsidiaries) of a member of the Group which is controlled by the shareholder of the Parent Company of the Group.

c) A person or a close member of that person's family who controls or jointly controls the Parent Company of the Group.

d) A person or a close member of that person's family who has significant influence over the Parent Company of the Group.

e) Members of statutory, supervisory and controlling bodies of the Parent Company of the Group and its shareholders or a close member of that persons' family.

f) Entities outside the Group, over which the person mentioned in c), d) and e) has a control or a joint control.

g) Entities outside the Group, over which the person mentioned in c) has a significant influence or is a member of the key management personnel of that entity.

In accordance with the above definition, the companies, which were not included in the Group due to their insignificance, consolidated and non-consolidated associates and jointly controlled companies, parent company's shareholders, members of statutory bodies of the parent company and of the parent company's shareholders and also companies outside the Group controlled or managed by them and companies where they exercise significant influence, are considered as the related parties.

## 3 Adoption of New and Revised Standards

The accounting policies applied in 2024 are consistent with those of the 2023 financial year unless specified otherwise below.

### 3.1 New IFRS Standards and IFRIC Interpretations Applicable to Periods Beginning on or after 1 January 2024

#### *3.1.1 Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020 and 15 July 2020) and Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024; adopted by the EU on 19 December 2023)*

The amendment affects only the presentation of liabilities in the statement of financial position. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. Settlement refers to the transfer to the counterparty of cash or other economic resources (e.g. goods or services) and the entity's own equity instruments.

The amendments were initially effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, in response to the COVID-19 pandemic, the effective date was deferred by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments must be applied retrospectively. Early application is permitted. However, an entity that applies the 2020 IAS 1 amendments early is also required to apply the 2022 IAS 1 amendments, and vice versa.

The Group implemented the amendments on the required effective date. The amendments did not have significant impact on the Group's consolidated financial statements.

#### *3.1.2 Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024; adopted by the EU on 20 November 2023)*

The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Lease liability in a sale and leaseback requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in statement of profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments apply for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Group implemented the amendments on the required effective date. The amendments did not have significant impact on the Group's consolidated financial statements.

#### *3.1.3 Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024; adopted by the EU on 15 May 2024)*

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

An entity applies the amendments to IAS 7 for annual reporting periods beginning on or after 1 January 2024 (with earlier application permitted) and the amendments to IFRS 7 when it applies the amendments to IAS 7. There is a certain amount of transition relief provided, including relief regarding comparative information and interim period information.

The Group implemented the amendments on the required effective date. The amendments did not have significant impact on the Group's consolidated financial statements.

## 3.2 New IFRS Standards and IFRIC Interpretations Applicable to Periods Beginning on or after 1 January 2025

### *3.2.1 IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027)*

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

The standard has not yet been adopted by the EU. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

The Group is currently assessing the impact of the new standard on its consolidated financial statements.

### *3.2.2 IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027)*

IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The standard has not yet been adopted by the EU. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact.

The standard is not relevant for the Group's consolidated financial statements.

### *3.2.3 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025, adopted by the EU on 12 November 2024)*

The amendments specify that a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.

When a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

An entity does not apply the amendments retrospectively. Instead, an entity recognises any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognises the cumulative amount of translation differences in equity.

The Group plans to implement the amendments on the required effective date. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

### *3.2.4 Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026)*

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) clarify derecognition of a financial liability settled through electronic transfer and also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and clarify the treatment of non-recourse assets and contractually linked instruments. The amendments require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendment has not yet been adopted by the EU. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

The Group plans to implement the amendments on the required effective date. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

### *3.2.5 Annual Improvements Volume 11 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026)*

These amendments, published in a single document Annual Improvements to IFRS Accounting Standards—Volume 11, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.

The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendment has not yet been adopted by the EU. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The Group plans to implement the amendments on the required effective date. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

### *3.2.6 Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024 and effective for annual periods beginning on or after 1 January 2026)*

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts and add new disclosure requirements.

The amendment has not yet been adopted by the EU. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier adoption is permitted.

The amendments relating to the own-use exception must be applied retrospectively. An entity is not required to restate prior periods, and it is only permitted to do so if this can be done without using hindsight. The hedge accounting amendments must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Group plans to implement the amendments on the required effective date. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

Through our acquisitions, we help develop traditional Czech industries.

## 4 Subsidiaries, Joint ventures and Associates as at 31 December 2024

### 4.1 Subsidiaries

| Subsidiaries as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| 1. Hradecká zemědělská a.s. | CZ | 63479401 | Cihelní 298, 747 41 Branka u Opavy | 100.00% | NAVOS, a.s. |
| AFEED, a.s. | CZ | 28167813 | Nádražní 563/60, 693 01 Hustopeče | 100.00% | AGROFERT, a.s. |
| AG AGROPRIM, s.r.o. | CZ | 25649213 | č.p. 300, 257 44 Netvořice | 100.00% | Primagra, a.s. |
| AGD Kačice, s.r.o. | CZ | 47048620 | K farmě 28, 273 04 Kačice | 100.00% | AgroZZN, a.s. |
| AGF Energy, a.s. | CZ | 24716677 | Pyšelská 2327/2, Chodov, 149 00 Praha 4 | 100.00% | AGROFERT, a.s. |
| AGF Food Logistics, a.s. | CZ | 24151114 | č.p. 60, 588 61 Kostelec | 100.00% | AGROFERT, a.s. |
| AGRI CS a.s. | CZ | 26243334 | Hybešova 62/14, 693 01 Hustopeče | 100.00% | AGROTEC a.s. |
| AGRI CS Magyarország Kft. | HU | 11-09-025210 | 2900 Komárom, Puskás Tivadar utca 4/a | 100.00% | AGROTEC a.s. |
| AGRI CS Slovakia s.r.o. | SK | 31421105 | Zlatomoravecká cesta 504, Nitra 949 01 | 100.00% | AGRI CS a.s. |
| AGRI SYSTEM, s.r.o. | CZ | 28802641 | Na Pile 887, 285 04 Uhlířské Janovice | 100.00% | ZZN Polabí, a.s. |
| AGRO – VÁH, s.r.o. | SK | 36539031 | Hlavná 922, Diakovce 925 81 | 99.99% | Agropodnik a. s. Trnava |
| AGRO Jevišovice, a.s. | CZ | 49455958 | č.p. 102, 671 53 Jevišovice | 100.00% | NAVOS, a.s. |
| AGRO Jinín a.s. | CZ | 48245933 | Nebřehovická 522, Přední Ptákovice, 386 01 Strakonice | 100.00% | ZZN Pelhřimov a. s. |
| AGRO Mikulovice, s.r.o. | CZ | 25573756 | č.p. 102, 671 53 Jevišovice | 100.00% | NAVOS, a.s. |
| AGRO Plchov s.r.o. | CZ | 25107909 | č.p. 75, 273 75 Plchov | 100.00% | AgroZZN, a.s. |
| AGRO Přešovice, a.s. | CZ | 25308068 | č.p. 102, 671 53 Jevišovice | 100.00% | NAVOS, a.s. |
| AGRO Rozsochy, a.s. | CZ | 63468026 | č.p. 165, 592 57 Rozsochy | 100.00% | Cerea, a.s. |
| AGRO Vnorovy, a.s. | CZ | 64508056 | Smetkova 744, 696 61 Vnorovy | 100.00% | NAVOS, a.s. |
| Agrobech, s.r.o. | CZ | 00120502 | č.p. 288, 411 86 Bechlín | 100.00% | Primagra, a.s. |
| Agrobor, s.r.o. | CZ | 45353603 | Nádražní 644, 348 02 Bor | 100.00% | Primagra, a.s. |
| AGROCOM HRUŠOVANY spol. s r.o. | CZ | 40230091 | Lažany 7, 430 01 Hrušovany | 100.00% | AgroZZN, a.s. |
| AGROFERT Deutschland GmbH | DE | Amtsgericht Stendal HRB 22539 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 100.00% | SKW Stickstoffwerke Piesteritz GmbH |
| AGROFERT POLSKA SP. Z O.O. | PL | 24166489700000 | UL. JANA KUBISZA 1, 43-400, CIESZYN, ŚLĄSKIE | 100.00% | AGROFERT, a.s. |
| AGROFORS, s.r.o. | SK | 34120921 | 604 Dolné Obdokovce 951 02 | 99.08% | ACHP Levice a.s. |
| AGROPARKL spol. s r.o. | CZ | 47667575 | č.p. 30, 790 65 Skorošice | 100.00% | NAVOS, a.s. |
| Agropodnik a. s. Trnava | SK | 31420494 | Chovateľská 1 Trnava 917 01 | 99.99% | AGROFERT, a.s. |
| AGROPODNIK DOMAŽLICE a. s. | CZ | 45350272 | Masarykova 523, Bezděkovské Předměstí, 344 01 Domažlice | 100.00% | AGROFERT, a.s. |
| AGROPODNIK Hodonín a.s. | CZ | 46971963 | Vacenovická 1271, 696 02 Ratíškovice | 100.00% | AGROFERT, a.s. |
| AGROSPOL Košice, s.r.o. | SK | 31731066 | Železničná 2, Čaňa 044 14 | 100.00% | TAJBA, a.s. |
| AGROSPOL PETROVICE s.r.o.*) | CZ | 26494531 | Petrovice 14, PSČ 27035 | 75.00% | AgroZZN, a.s. |
| AGROTEC a.s. | CZ | 00544957 | Brněnská 12/74, 693 01 Hustopeče | 100.00% | AGROFERT, a.s. |
| AGROTEC Magyarország Kft. | HU | 11-09-022291 | 2900 Komárom, Puskás Tivadar utca 4/a. | 100.00% | AGROTEC a.s. |
| AGROTEC parts s.r.o. | CZ | 17440556 | Brněnská 12/74, 693 01 Hustopeče | 100.00% | AGROTEC a.s. |
| AGROTEC plus s.r.o. | CZ | 46966757 | Hybešova 62/14, 693 01 Hustopeče | 100.00% | AGROTEC a.s. |
| AGROTEC Slovensko s.r.o. | SK | 31445942 | Zlatomoravecká cesta 431, 951 02 Pohranice | 100.00% | AGROTEC a.s. |
| AGROTECHNIC MORAVIA a.s. | CZ | 27839834 | Lipenská 1120/47, Hodolany, 779 00 Olomouc | 100.00% | NAVOS, a.s. |
| AGROTECHNIKA Polabí, a.s. | CZ | 27554546 | K Vinici 1304, Kolín V, 280 02 Kolín | 100.00% | ZZN Polabí, a.s. |
| AgroZZN, a.s. | CZ | 45148082 | V Lubnici 2333, Rakovník II, 269 01 Rakovník | 100.00% | AGROFERT, a.s. |
| AGS AGRO České Budějovice a.s. | CZ | 48244376 | Třebízského 1217, 374 01 Trhové Sviny | 100.00% | ZZN Pelhřimov a. s. |
| ACHP Levice a.s. | SK | 00005819 | Podhradie 31, Levice 934 01 | 99.08% | AGROFERT, a.s. |
| ALIMEX NEZVĚSTICE a.s. | CZ | 25196049 | č.p. 9, 332 04 Nezvěstice | 100.00% | Primagra, a.s. |
| Animalco a.s. | CZ | 00536458 | Na Kocínce 207/1, Dejvice, 160 00 Praha 6 | 100.00% | AGROFERT, a.s. |
| ANIMO Žatec, a.s. | CZ | 00044628 | č.p. 33, 440 01 Lišany | 100.00% | AGROFERT, a.s. |
| APEX AGRO, s.r.o. | CZ | 08122351 | č.p. 102, 671 53 Jevišovice | 100.00% | NAVOS, a.s. |

| Subsidiaries as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| Arbeitsgemeinschaft Golden Toast GmbH | DE | Amtsgericht Stendal HRB 25726 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 94.00% | Lieken Brot- und Backwaren GmbH |
| ARBO, spol. s r.o. | CZ | 40522172 | Hřbitovní 757, Klatovy II, 339 01 Klatovy | 100.00% | Primagra, a.s. |
| Bohemia Pork, s.r.o. | CZ | 28266561 | Plevnice 42, 393 01 Olešná | 100.00% | SPV Pelhřimov, a.s. |
| Centrální laboratoř, s.r.o. | CZ | 28137043 | Čekanice 207, 390 02 Tábor | 100.00% | AFEED, a.s. |
| CENTROPROJEKT GROUP a.s. | CZ | 01643541 | Štefánikova 167, 760 01 Zlín | 100.00% | AGROFERT, a.s. |
| Cerea, a.s. | CZ | 46504940 | Pardubice, Dělnická 384, PSČ 53125 | 100.00% | AGROFERT, a.s. |
| Ceres ZRt. | HU | 08-10-001793 | 9027 Győr, Reptéri út 1. | 100.00% | PENAM, a.s. |
| CIZ - AGRO, a.s. | CZ | 25165551 | č.p. 21, 378 81 Cizkrajov | 100.00% | KROW, s.r.o. |
| "DEZA POLSKA" SP. Z O.O. | PL | 81115742600000 | UL. STANISŁAWA WYSPIAŃSKIEGO 39 /2, 70-497 SZCZECIN, ZACHODNIOPOMORSKIE | 100.00% | DEZA, a.s. |
| DEZA, a.s. | CZ | 00011835 | Masarykova 753, Krásno nad Bečvou, 757 01 Valašské Meziříčí | 100.00% | AGROFERT, a.s. |
| DOLINA spol.s.r.o. | SK | 31441971 | Bačala 314, Veľká Dolina 951 15 | 99.99% | Agropodnik a. s. Trnava |
| Doubravická, a.s. | CZ | 25312707 | Hybešova 228, 679 11 Doubravice nad Svitavou | 100.00% | NAVOS, a.s. |
| Duslo Energy, s.r.o. | SK | 47333341 | Administratívna budova ev. č. 1236, Šaľa 927 03 | 100.00% | Duslo, a.s. |
| Duslo, a.s. | SK | 35826487 | Administratívna budova, ev. č. 1236, Šaľa 927 03 | 100.00% | AGROFERT, a.s. |
| DZV NOVA, a.s. | CZ | 47048522 | Petrovice 11, 257 51 Bystřice | 100.00% | ZZN Pelhřimov a. s. |
| Farma Boroví, s.r.o. | CZ | 14269317 | Plevnice 42, 393 01 Olešná | 100.00% | SPV Pelhřimov, a.s. |
| Farma Holešov s.r.o. | CZ | 46993851 | Bořenovská 1356/11, 769 01 Holešov | 100.00% | NAVOS, a.s. |
| Farma HYZA a.s. | SK | 36519081 | Odbojárov 2279/37, Topoľčany 955 92 | 99.86% | HYZA a.s. |
| FARMTEC a.s. | CZ | 63908522 | Tisová 326, 391 33 Jistebnice | 100.00% | AGROFERT, a.s. |
| Fatra, a.s. | CZ | 27465021 | třída Tomáše Bati 1541, 763 61 Napajedla | 100.00% | AGROFERT, a.s. |
| FEBORAN EOOD | BG | 204359643 | gr. Sofia, p.c. 1113 p-n Iskar, str. Tintiava No. 13B, ap. ofic 3-5 | 100.00% | AGROFERT, a.s. |
| FERT - TRADERO SRL | RO | J35/2047/2016 | Str. Armoniei 27 A Jud. TIMIS, Loc. TIMISOARA | 100.00% | Duslo, a.s. |
| FYTO spol. s r.o. | CZ | 48171701 | č.p. 81, 516 03 Lukavice | 100.00% | LUNY, s.r.o. |
| GreenChem Adriatic BH d.o.o. | BA | 65-01-0235-24 | Centar, Sarajevo, Ul. Skenderpašina br. 1 | 100.00% | GreenChem Holding B.V. |
| GreenChem Adriatic d.o.o. za usluge | HR | 51216991623 | Zagreb (Grad Zagreb) Ulica baruna Trenka 8 | 100.00% | GreenChem Holding B.V. |
| GreenChem Austria GmbH | AT | FN 632755y | St. Peter-Str. 25 4020 Linz | 100.00% | GreenChem Holding B.V. |
| GreenChem B.V. | NL | 20113430 | Breda, Gravinnen van Nassauboulevard 95 | 100.00% | GreenChem Holding B.V. |
| GreenChem CZ s.r.o. | CZ | 03245632 | Pyšelská 2327/2, Chodov, 149 00 Praha 4 | 100.00% | GreenChem Holding B.V. |
| GREENCHEM FRANCE SAS | FR | 48850012500023 | 87 avenue du Mistral, Zone Athelia IV, 13600 La Ciotat | 100.00% | GreenChem Holding B.V. |
| GreenChem GmbH | DE | Amtsgericht Stendal HRB 24877 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 100.00% | AGROFERT Deutschland GmbH |
| GreenChem Holding B.V. | NL | 20109589 | Breda, Gravinnen van Nassauboulevard 95 | 100.00% | AGROFERT, a.s. |
| GreenChem Hungary Kft. | HU | 11-09-023664 | 2900 Komárom, Puskás Tivadar utca 4/a | 100.00% | GreenChem Holding B.V. |
| GREENCHEM POLAND SP. Z O.O. W LIKWIDACJI | PL | 30022535600000 | UL. RÓŻANA 4 /3, 61-577 POZNAŃ, WIELKOPOLSKIE | 100.00% | GreenChem Holding B.V. |
| GREENCHEM ROMANIA SRL | RO | J2024028712002 | Str. Armoniei 27 A Jud. TIMIS, Loc. TIMISOARA | 100.00% | GreenChem Holding B.V. |
| GreenChem SI d.o.o. | SI | 2253658000 | Poljska pot 4 1000 Ljubljana | 100.00% | GreenChem Holding B.V. |
| GreenChem SK, s. r. o. | SK | 44788461 | Nobelova 34, Bratislava 836 05 | 100.00% | GreenChem Holding B.V. |
| GREENCHEM SOLUTIONS DO BRASIL COMERCIO DE PRODUTOS QUIMICOS LTDA. | BR | 3522778271-1 | R LAURO LINHARES, 2055, SALA 403, CEP 88.036-003, TRINIDADE, FLORIANOPOLIS, SC | 100.00% | GreenChem Holding B.V. |
| GreenChem Solutions Ltd. | GB | 05175801 | The Old wheel house, 31-37 Church Street Reigate RH2 0AD, Surrey, United Kingdom | 100.00% | GreenChem Holding B.V. |
| GreenChem Solutions S.L. | ES | 38367, Folio 012, B323683 | c/Lepant 264, 3r F, 08013 Barcelona, Spain | 100.00% | GreenChem Holding B.V. |

| Subsidiaries as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| GreenChem Solutions S.R.L. | IT | RM-1459265 | Bologna (BO) - Corte Isolani 2 | 100.00% | GreenChem Holding B.V. |
| HASINA s.r.o. | CZ | 27301915 | Nádražní 805, 393 01 Pelhřimov | 100.00% | ZZN Pelhřimov a. s. |
| Horal BPS s.r.o. | CZ | 28798937 | Liberk - Hláska 1, PSČ 51601 | 92.52% | Horal, akciová společnost, Hláska |
| Horal, akciová společnost, Hláska | CZ | 48171093 | Hláska 1, 516 01 Liberk | 92.52% | Cerea, a.s. |
| HYZA a.s. | SK | 31562540 | Odbojárov 2279/37, Topoľčany 955 92 | 99.86% | AGROFERT, a.s. |
| CHMEL PODLESÍ, s.r.o. | CZ | 25017985 | č.p. 23, 440 01 Pnětluky | 100.00% | TOP HOP spol. s r.o. |
| Chmelař, společnost s ručením omezeným | CZ | 46711473 | č.p. 1, 438 01 Deštnice | 100.00% | TOP HOP spol. s r.o. |
| CHMELEX,spol. s r.o. | CZ | 46348565 | Rakovník, Hořesedly 12, PSČ 27004 | 100.00% | TOP HOP spol. s r.o. |
| IKR Agrár Kft. | HU | 11-09-018262 | 2943 Bábolna, IKR park, hrsz.: 890. | 100.00% | AGROFERT, a.s. |
| IKR AGROPLANT Kft. | HU | 05-09-036019 | 3711 Szirmabesenyő, Földvári út 35. | 96.67% | IKR Agrár Kft. |
| IKR Agro-Vár Kft. | HU | 15-09-066923 | 4516 Demecser, IKR Területi Központ, 0121/4, 0121/5, 0121/6 0121/8. hrsz. | 100.00% | IKR Agrár Kft. |
| IKR Kft. | HU | 11-09-007122 | 2943 Bábolna, IKR park 890. | 98.89% | IKR Agrár Kft. |
| IKR Services Kft. | HU | 11-09-031140 | 2943 Bábolna, IKR park 890. | 100.00% | IKR Agrár Kft. |
| KLADRUBSKÁ a.s. | CZ | 25215671 | Vojenice 80, 338 08 Kladruby | 100.00% | Primagra, a.s. |
| KMOTR - Masna Kroměříž a.s. | CZ | 25570765 | Hulínská 2286/28, 767 01 Kroměříž | 100.00% | AGROFERT, a.s. |
| Kornmark GmbH | DE | Amtsgericht Stendal HRB 25744 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 94.00% | Lieken Brot- und Backwaren GmbH |
| Kostelecké uzeniny a.s. | CZ | 46900411 | č.p. 60, 588 61 Kostelec | 100.00% | AGROFERT, a.s. |
| Krahulík-MASOZÁVOD Krahulčí, a.s. | CZ | 25586823 | č.p. 10, 588 56 Krahulčí | 100.00% | AGROFERT, a.s. |
| KROW, s.r.o. | CZ | 25194071 | č.p. 21, 378 81 Cizkrajov | 100.00% | HASINA s.r.o. |
| KVARTO s.r.o. | CZ | 48951749 | Zemědělská 608, 257 51 Bystřice | 100.00% | ZZN Pelhřimov a. s. |
| LAT Nitrogen Austria GmbH | AT | FN 257746p | St.-Peter-Str. 25, 4021 Linz | 100.00% | AGROFERT, a.s. |
| LAT Nitrogen Bulgaria EOOD | BG | 201470332 | gr. Sofia, p.c. 1113 p-n Iskar, str. Tintiava No. 13B, ap. ofic 3-5 | 100.00% | LAT Nitrogen Austria GmbH |
| LAT Nitrogen doo Beograd | RS | 20107499 | Bulevar Zorana Đinđića 64A, 11070 Beograd | 100.00% | LAT Nitrogen Austria GmbH |
| LAT Nitrogen France SAS | FR | 421454406 | 20 TER Rue de Bezons, 92400 Courbevoie | 100.00% | AGROFERT, a.s. |
| LAT Nitrogen France Services SAS | FR | 611780198 | 20 TER Rue de Bezons, 92400 Courbevoie | 100.00% | AGROFERT, a.s. |
| LAT Nitrogen Hungary Kft. | HU | 01-09-071990 | 1095 Budapest, Lechner Ödön fasor 10/B | 100.00% | LAT Nitrogen Austria GmbH |
| LAT Nitrogen Linz GmbH | AT | FN 78587w | St. Peter-Str. 25, 4020 Linz | 100.00% | LAT Nitrogen Austria GmbH |
| LAT Nitrogen Ottmarsheim SAS | FR | 946750981 | Zone Industrielle, 68490 Ottmarsheim | 100.00% | AGROFERT, a.s. |
| LAT Nitrogen Piesteritz GmbH | DE | Amtsgericht Stendal HRB 16111 | Möllensdorfer Str. 13, 06886 Lutherstadt Wittenberg | 100.00% | AGROFERT, a.s. |
| LAT NITROGEN ROMANIA SRL | RO | J40/21116/2005 | Str. Maria Rosetti 6 BUCURESTI, Loc. SECTORUL 2 | 100.00% | LAT Nitrogen Austria GmbH |
| Lieken Brot- und Backwaren GmbH | DE | Amtsgericht Stendal HRB 25711 | Dessauer Straße 126, 06886 Lutherstadt Wittenberg | 94.00% | Lieken GmbH |
| Lieken GmbH | DE | Amtsgericht Stendal HRB 29263 | Dessauer Straße 126, 06886 Lutherstadt Wittenberg | 94.00% | AGROFERT, a.s. |
| LIPRA PORK, a.s. | CZ | 46356118 | Štěpánovice 38, 512 63 Rovensko pod Troskami | 100.00% | AGROFERT, a.s. |
| Logi-K GmbH | DE | Amtsgericht Stendal HRB 25713 | Dessauer Straße 126, 06886 Lutherstadt Wittenberg | 94.00% | Lieken GmbH |
| Logistics Solution, a.s. | CZ | 64361594 | Havířská 1059, 580 01 Havlíčkův Brod | 100.00% | AGROFERT, a.s. |
| Lovochemie, a.s. | CZ | 49100262 | Terezínská 57, 410 02 Lovosice | 100.00% | AGROFERT, a.s. |
| LUNY, s.r.o. | CZ | 64825418 | č.p. 81, 516 03 Lukavice | 100.00% | Cerea, a.s. |
| LUPOFYT s.r.o. | CZ | 46348824 | č.p. 16, 270 01 Chrášťany | 100.00% | TOP HOP spol. s r.o. |
| Lužanská zemědělská a.s. | CZ | 25253042 | č.p. 197, 507 06 Lužany | 100.00% | Cerea, a.s. |
| M + A + J s.r.o. | CZ | 47287195 | Sedčice 2, 438 01 Nové Sedlo | 100.00% | AgroZZN, a.s. |
| MAVEX AGRO, spol. s r.o. | CZ | 64834417 | č.p. 30, 350 02 Nebanice | 100.00% | Primagra, a.s. |
| Mlékárna Hlinsko, a.s. | CZ | 48169188 | Hlinsko - Kouty 53, PSČ 53901 | 100.00% | AGROFERT, a.s. |
| NAVOS FARM TECHNIC s.r.o. | CZ | 63489911 | Háj 322, 798 12 Kralice na Hané | 100.00% | NAVOS, a.s. |
| NAVOS, a.s. | CZ | 47674857 | Čelakovského 1858/27, 767 01 Kroměříž | 100.00% | AGROFERT, a.s. |
| Neveklov a.s. | CZ | 00102083 | č.p. 46, 257 56 Stranný | 80.59% | Primagra, a.s. |
| NOVOVES, s.r.o. | SK | 45501394 | Podjavorinskej 21, Lučenec 984 01 | 100.00% | TAJBA, a.s. |

| Subsidiaries as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| Nový Dvůr Kunovice, a.s. | CZ | 27731987 | č.p. 1234, 687 61 Vlčnov | 100.00% | NAVOS, a.s. |
| NT Kft. | HU | 03-09-111928 | 6100 Kiskunfélegyháza, Kunsági Éden út 1. | 100.00% | AGROFERT, a.s. |
| Odbyt Ovčáry s.r.o. | CZ | 27600955 | Na Františku 358, 280 02 Ovčáry | 100.00% | ZOD Zálabí, a.s. |
| Odkolek s.r.o. | CZ | 08002665 | Pekařská 598/1, Jinonice, 155 00 Praha 5 | 100.00% | UNITED BAKERIES a.s. |
| "OLMA POLSKA" SP. Z O.O. | PL | 07286897500000 | PIEKARSKA 86, 43-300 BIELSKO-BIAŁA, ŚLĄSKIE | 100.00% | OLMA, a.s. |
| OLMA, a.s. | CZ | 47675730 | Pavelkova 597/18, Holice, 779 00 Olomouc | 100.00% | AGROFERT, a.s. |
| Oseva Agri Chrudim, a.s. | CZ | 47452471 | č.p. 159, 538 61 Kočí | 100.00% | Cerea, a.s. |
| OSEVA, a.s. | CZ | 47912430 | Potoční 1436, 696 81 Bzenec | 100.00% | AGROFERT, a.s. |
| P E Z A a.s. | SK | 30224918 | K cintorínu 47, Žilina - Bánová 011 49 | 100.00% | PENAM, a.s. |
| Pécs-Reménypusztai Kft. | HU | 02-09-071638 | 7631 Pécs, hrsz. 0224/38. | 99.97% | IKR Agrár Kft. |
| Pécsváradi AGROVER Kft. | HU | 02-09-072992 | 7720 Pécsvárad, hrsz. 0148. | 99.84% | IKR Agrár Kft. |
| Pekárna Zelená louka, a.s. | CZ | 41035895 | Hlavní 71, 251 01 Herink | 100.00% | PENAM, a.s. |
| PENAM SLOVAKIA, a.s. | SK | 36283576 | Štúrova 74/138, Nitra 949 35 | 100.00% | PENAM, a.s. |
| PENAM, a.s. | CZ | 46967851 | Cejl 504/38, Zábrdovice, 602 00 Brno | 100.00% | AGROFERT, a.s. |
| Petrohradská, společnost s ručením omezeným | CZ | 46711481 | č.p. 12, 270 04 Hořesedly | 100.00% | TOP HOP spol. s r.o. |
| PETROCHEMIA-BLACHOWNIA SP. Z O.O. | PL | 53135347000000 | UL. SZKOLNA 15, 47-225 KĘDZIERZYN-KOŹLE, OPOLSKIE | 100.00% | DEZA, a.s. |
| Poděbradská blata, a.s. | CZ | 25618466 | č.p. 347, 290 01 Pátek | 100.00% | ZZN Polabí, a.s. |
| PODCHŘIBÍ JEŽOV, a.s. | CZ | 60700378 | č.p. 47, 696 48 Skalka | 100.00% | NAVOS, a.s. |
| Podielnicke družstvo "Považie" Považany | SK | 00207187 | 141 Považany 916 26 | 92.67% | Agropodnik a. s. Trnava |
| Poľnohospodárske družstvo Bátovce | SK | 00194590 | Bátovce 935 03 | 92.39% | ACHP Levice a.s. |
| Poľnohospodárske družstvo Beša | SK | 00194409 | 172 Beša 935 36 | 89.03% | ACHP Levice a.s. |
| Poľnohospodárske družstvo Horné Obdokovce | SK | 00205150 | 31 Horné Obdokovce 956 08 | 95.54% | ACHP Levice a.s. |
| Poľnohospodárske družstvo KRUPÁ v Dolnej Krupej | SK | 00207691 | Družstevná 872/4A, Dolná Krupá 919 65 | 99.99% | Agropodnik a. s. Trnava |
| Pol'nohospodárske družstvo Ludanice | SK | 00205362 | Ludanice 956 11 | 83.96% | ACHP Levice a.s. |
| Poľnohospodárske družstvo Okoč-Sokolec | SK | 00191621 | Hlavná ul. 716 Okoč 930 28 | 98.92% | Agropodnik a. s. Trnava |
| PRECHEZA a.s. | CZ | 26872307 | nábř. Dr. Edvarda Beneše 1170/24, Přerov I-Město, 750 02 Přerov | 100.00% | AGROFERT, a.s. |
| PREOL, a.s. | CZ | 26311208 | Terezínská 1214, 410 02 Lovosice | 100.00% | AGROFERT, a.s. |
| Primagra, a.s. | CZ | 45148155 | Nádražní 310, 262 31 Milín | 100.00% | AGROFERT, a.s. |
| PROFROST a.s. | CZ | 27771245 | J. B. Pecky 4446/15, 796 01 Prostějov | 100.00% | AGROFERT, a.s. |
| První zemědělská Záhornice, a.s. | CZ | 25064541 | Hlavní 204, 289 03 Záhornice | 100.00% | ZZN Polabí, a.s. |
| PRVNÍ ŽATECKÁ a.s. | CZ | 63144549 | č.p. 92, 415 01 Bžany | 100.00% | AgroZZN, a.s. |
| Quality Bakers GmbH | DE | Amtsgericht Memmingen HRB 21194 | Max-Planck-Straße 9, 89312 Günzburg, Deutschland | 100.00% | AGROFERT, a.s. |
| RK Náklo, s.r.o. | CZ | 27705846 | Za Mlýnem 1264, 696 02 Ratíškovice | 100.00% | NAVOS, a.s. |
| Roľnícke družstvo podielnikov Chocholná-Velčice | SK | 00206938 | 641 Chocholná - Velčice 913 04 | 97.51% | Agropodnik a. s. Trnava |
| RYNAGRO a.s. | CZ | 26080125 | Rynárecká 1742, 393 01 Pelhřimov | 100.00% | ZZN Pelhřimov a. s. |
| SADY CZ, s.r.o. | CZ | 27699293 | U Bzinku 1482, 696 81 Bzenec | 100.00% | NAVOS, a.s. |
| SD Pomoraví, s.r.o. | CZ | 49973941 | Nová 550, 691 51 Lanžhot | 100.00% | NAVOS, a.s. |
| SCHROM FARMS spol. s r.o. | CZ | 62301659 | č.p. 327, 742 91 Velké Albrechtice | 100.00% | AGROFERT, a.s. |
| SKW Stickstoffwerke Piesteritz GmbH | DE | Amtsgericht Stendal HRB 11869 | Möllensdorfer Str. 13, 06886 Lutherstadt Wittenberg | 100.00% | AGROFERT, a.s. |
| SPV Pelhřimov, a.s. | CZ | 25157507 | Plevnice 42, 393 01 Olešná | 100.00% | AGROFERT, a.s. |
| STATEK BŘEŽANY, spol. s r.o. | CZ | 48529249 | č.p. 172, 671 65 Břežany | 65.66% | NAVOS, a.s. |
| Statek Lom s.r.o. | CZ | 26353521 | Nádražní 644, 348 02 Bor | 100.00% | Agrobor, s.r.o. |
| Svornost Těmice, a.s. | CZ | 64511936 | č.p. 216, 696 84 Těmice | 100.00% | NAVOS, a.s. |
| Šarišské pekárne a cukrárne, akciová spoločnosť | SK | 30414245 | Budovateľská 61, Prešov 081 59 | 99.20% | PENAM SLOVAKIA, a.s. |
| T U F A, společnost s ručením omezeným | CZ | 49903128 | č.p. 5, 439 69 Tuchořice | 100.00% | AgroZZN, a.s. |
| TAJBA, a.s. | SK | 36188981 | Železničná 2, Čaňa 044 14 | 100.00% | AGROFERT, a.s. |

| Subsidiaries as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| TOP HOP spol. s r.o. | CZ | 18382002 | Pyšelská 2327/2, Chodov, 149 00 Praha 4 | 100.00% | AGROFERT, a.s. |
| UB HOLDING, a.s. | CZ | 05560543 | Pekařská 598/1, Jinonice, 155 00 Praha 5 | 100.00% | PENAM, a.s. |
| UNILES, a.s. | CZ | 47307706 | Jiříkovská 913/18, Rumburk 1, 408 01 Rumburk | 75.05% | AGROFERT, a.s. |
| UNITED BAKERIES a.s. | CZ | 28976231 | Pekařská 598/1, Jinonice, 155 00 Praha 5 | 100.00% | UB HOLDING, a.s. |
| Vlčnovská zemědělská a.s. | CZ | 26217074 | č.p. 1234, 687 61 Vlčnov | 100.00% | NAVOS, a.s. |
| Vodňanská drůbež, a.s. | CZ | 25396480 | Radomilická 886, Vodňany II, 389 01 Vodňany | 100.00% | AGROFERT, a.s. |
| Vodňanské kuře, s.r.o. | CZ | 27435148 | Karlov 196, 284 01 Kutná Hora | 100.00% | AGROFERT, a.s. |
| VP & DJ s.r.o. | CZ | 26947471 | č.p. 102, 671 53 Jevišovice | 100.00% | NAVOS, a.s. |
| VSV, a.s. | CZ | 25331850 | Vlkošská 379, 696 42 Vracov | 100.00% | NAVOS, a.s. |
| VUCHT a.s. | SK | 31322034 | Nobelova 34, Bratislava 836 03 | 99.77% | Duslo, a.s. |
| Výkrm Tagrea, s.r.o. | CZ | 26102463 | Karlov 196, 284 01 Kutná Hora | 100.00% | AGROFERT, a.s. |
| Výkrm Třebíč, s.r.o. | CZ | 27684067 | Karlov 196, 284 01 Kutná Hora | 100.00% | AGROFERT, a.s. |
| Wittenberger Bäckerei GmbH | DE | Amtsgericht Stendal HRB 24386 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 94.00% | Lieken GmbH |
| Wittenberger Umweltservice GmbH | DE | Amtsgericht Stendal HRB 27134 | Dessauer Str. 126, 06886 Lutherstadt Wittenberg | 100.00% | SKW Stickstoffwerke Piesteritz GmbH |
| Wotan Forest, a.s. | CZ | 26060701 | Rudolfovská tř. 202/88, České Budějovice 4, 370 01 České Budějovice | 100.00% | AGROFERT, a.s. |
| ZAS Podchotucí, a.s. | CZ | 61672343 | č.p. 409, 289 33 Křinec | 100.00% | ZZN Polabí, a.s. |
| ZD Křečhoř a.s. | CZ | 00103926 | č.p. 19, 280 02 Křečhoř | 100.00% | ZZN Polabí, a.s. |
| ZEAS Mančice, a.s. | CZ | 25110012 | č.p. 91, 285 04 Rašovice | 100.00% | ZZN Polabí, a.s. |
| ZEAS Puclice a.s. | CZ | 00115592 | č.p. 99, 345 61 Puclice | 100.00% | Primagra, a.s. |
| ZEM, a.s. | CZ | 64259587 | č.p. 73, 503 62 Lužec nad Cidlinou | 100.00% | ZZN Polabí, a.s. |
| Zemědělská obchodní společnost Onomyšl, a.s. | CZ | 00104493 | č.p. 73, 285 11 Nepoměřice | 100.00% | ZZN Polabí, a.s. |
| Zemědělská společnost Blšany s.r.o. | CZ | 47782455 | Náměstí 107, 439 88 Blšany | 100.00% | AgroZZN, a.s. |
| Zemědělská společnost Třebívlice a.s. | CZ | 25195743 | Šepetely 36, 411 15 Třebívlice | 100.00% | AgroZZN, a.s. |
| ZEMOS a.s. | CZ | 63470381 | Jízdárenská 493, 691 63 Velké Němčice | 100.00% | NAVOS, a.s. |
| ZEMSPOL, spol. s r.o. | CZ | 47914424 | Boršovská 2610/65, Nětčice, 697 01 Kyjov | 100.00% | NAVOS, a.s. |
| ZEOS Brnířov a.s. | CZ | 00115380 | č.p. 101, 345 06 Brnířov | 100.00% | Primagra, a.s. |
| ZERA, a.s. | CZ | 63493021 | Za Mlýnem 1264, 696 02 Ratíškovice | 100.00% | NAVOS, a.s. |
| ZEVA CHLÍSTOVICE, a.s. | CZ | 61672319 | č.p. 28, 284 01 Chlístovice | 100.00% | ZZN Polabí, a.s. |
| ZKS AGRO ZAHOŘANY s.r.o. | CZ | 25223216 | č.p. 110, 344 01 Zahořany | 100.00% | Primagra, a.s. |
| Zlaté chmelové údolí, s.r.o. | CZ | 25424980 | Hořesedly č.p. 12, PSČ 270 04 | 100.00% | TOP HOP spol. s r.o. |
| Zlatý klas a.s. | CZ | 60192496 | č.p. 288, 411 86 Bechlín | 100.00% | Primagra, a.s. |
| ZOD Zálabí, a.s. | CZ | 62410580 | Na Františku 358, 280 02 Ovčáry | 100.00% | ZZN Polabí, a.s. |
| ZOS Běsno s.r.o. | CZ | 25461991 | Běsno 1, 439 86 Kryry | 100.00% | AgroZZN, a.s. |
| ZS Vilémov, a.s. | CZ | 00123170 | č.p. 227, 582 83 Vilémov | 100.00% | Cerea, a.s. |
| ZS Vysočina, a.s. | CZ | 25938266 | Poděbaby 179, 580 01 Havlíčkův Brod | 100.00% | Cerea, a.s. |
| ZZN Pelhřimov a. s. | CZ | 46678140 | Nádražní 805, 393 01 Pelhřimov | 100.00% | AGROFERT, a.s. |
| ZZN Polabí, a.s. | CZ | 45148210 | K Vinici 1304, Kolín V, 280 02 Kolín | 100.00% | AGROFERT, a.s. |

**) As at 31 December 2024, AgroZZN, a.s. has an option to purchase a 25% share in AGROSPOL PETROVICE s.r.o., which can be exercised until the end of 2025.*

*Abbreviations used:*

BA Bosnia and Herzegovina, BR Brazil, CZ Czechia, DE Germany, ES Spain, FR France, GB United Kingdom of Great Britain and Northern Ireland, HR Croatia, HU Hungary, NL Netherlands, IT Italy, PL Poland, RO Romania, SK Slovakia, AT Austria, RS Serbia, BG Bulgaria, SI Slovenia

SP. Z O.O. SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

The above recalculated interests in subsidiaries correspond to both the respective shares in voting rights and in equity. Differences between an equity share and a share in voting rights, if any, are immaterial in terms of the Group.

There are no significant restrictions imposed on subsidiaries or the Parent Company that would limit their ability to transfer cash or other assets within the Group except for restrictions that may exist as a result of contractual agreements with financing banks or other institutions.

### *4.1.1 Subsidiaries with Significant Non-controlling Interests*

The following table summarizes financial information (before elimination of intercompany transactions from other AGROFERT Group companies) about subsidiaries with significant non-controlling interests held as at 31 December 2024 and 2023:

| **(In CZK thousands)** | **UNILES, a.s. Czechia** | | **Lieken GmbH Group*) Germany** | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| *Share of non-controlling interests in equity and voting rights* | *24.95%* | *24.95%* | *6%* | *6%* |
| **Total assets** | **867,816** | **924,300** | **5,686,945** | **5,473,382** |
| Non-current assets | 178,667 | 193,194 | 3,157,993 | 3,604,969 |
| Current assets | 689,149 | 731,106 | 2,528,952 | 1,807,009 |
| Assets classified as held for sale | - | - | - | 61,404 |
| **Total liabilities and equity** | **867,816** | **924,300** | **5,686,945** | **5,473,382** |
| Long-term liabilities and provisions | 10,356 | 11,563 | 394,329 | 2,093,893 |
| Current liabilities and provisions | 441,838 | 488,717 | 2,647,492 | 2,833,446 |
| **Total equity** | **415,622** | **424,020** | **2,645,124** | **546,043** |
| Equity attributable to equity holders of the parent | 311,924 | 318,227 | 2,793,351 | 814,999 |
| Equity attributable to non-controlling interests | 103,698 | 105,793 | (148,227) | (268,956) |
| | | | | |
| Revenue | 2,892,405 | 3,216,886 | 15,762,990 | 16,479,796 |
| Operating expenses | (2,852,172) | (3,176,293) | (13,045,303) | (16,277,174) |
| Financial expenses and income, net, and disposal of shares in subsidiaries | (452) | (776) | (175,260) | (209,231) |
| **Profit/(loss) before income taxes** | **39,781** | **39,817** | **2,542,427** | **(6,609)** |
| Income taxes | (8,180) | (5,520) | (459,700) | 257,570 |
| **Net profit/(loss)** | **31,601** | **34,297** | **2,082,727** | **250,961** |
| Net profit/(loss) attributable to equity holders of the parent | 23,716 | 25,740 | 1,957,460 | 235,561 |
| Net profit/(loss) attributable to non-controlling interests | 7,885 | 8,557 | 125,267 | 15,400 |
| Other comprehensive income/(loss) | - | - | 16,354 | 22,001 |
| **Total comprehensive income/(loss), net of tax** | **31,601** | **34,297** | **2,099,081** | **272,962** |
| | | | | |
| Cash provided by/(used) in operating activities | (34,339) | 110,968 | (204,377) | 490,308 |
| Cash provided by/(used) in investing activities | (16,191) | (11,682) | 69,501 | (229,226) |
| Cash provided by/(used) in financing activities | (42,920) | (41,684) | (73,616) | (68,097) |
| Net effect of currency translation on cash | (133) | (405) | 6,222 | 9,845 |
| **Net increase/(decrease) in cash and cash equivalents** | **(93,583)** | **57,197** | **(202,270)** | **202,830** |
| **Dividends paid to non-controlling interests** | **(9,980)** | **(9,980)** | **-** | **-** |

**) The values are based on simplified consolidation of financial information, after eliminating intercompany transactions and investments of companies of the Lieken GmbH Group. AGROFERT, a.s., as a shareholder, made contributions outside the registered capital totalling EUR 200 million to Lieken GmbH as at 31 December 2024 and 2023; the amount is repayable as a priority. This amount has not been included in the calculation of non-controlling interests.*

## 4.2 Joint Ventures and Associates

| Joint ventures as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| AGRONOM d.o.o.*) | HR | 67793044823 | Požega (Grad Požega) Industrijska 47 | 70.00% | AGROFERT, a.s. |
| AGROSERVICE EGS d.o.o. | RS | 22048627 | NOVY SAD TRG MARIJE TRANDAFIL 7 objekt br.6 | 65.00% | EAST GRAIN D.O.O. |
| Cargolog Hungary Kft. | HU | 08-09-036995 | 9024 Győr, Babits Mihály utca 14/B 1. em. 3. ajtó | 64.35% | EAST CARGOLOG SRL |
| EAST AGRO INPUT SRL | RO | J26/1162/2014 | 486D Jud. MURES, Loc. BOGATA | 32.50% | EAST SILODEP SRL |
| EAST GRAIN COMMODITIES SRL | RO | J12/4456/2017 | Calea Motilor 84 Jud. CLUJ, Loc. CLUJ NAPOCA | 65.00% | EAST GRAIN SA |
| EAST CARGOLOG SRL | RO | J12/6770/2017 | Str. Arany Janos 13 Jud. CLUJ, Loc. CLUJ NAPOCA | 64.35% | EAST GRAIN SA |
| EAST GRAIN D.O.O. | RS | 21947431 | NOVI SAD TRG MARIJE TRANDAFIL 7 objekt br.6 21104 Novi Sad | 65.00% | EAST GRAIN SA |
| East Grain Hungary Korlátolt Felelősségű Társaság | HU | 01-09-292475 | 1211 Budapest, Szállító utca 6. | 65.00% | EAST GRAIN SA |
| EAST GRAIN SA*) | RO | J12/3390/2018 | Str. Motilor 84 Jud. CLUJ, Loc. CLUJ NAPOCA | 65.00% | AGROFERT, a.s. |
| EAST SILODEP SRL | RO | J12/198/2019 | Str. Arany Janos 13 Jud. CLUJ, Loc. CLUJ NAPOCA | 65.00% | EAST GRAIN SA |
| Ethanol Energy a.s. | CZ | 25502492 | Vrdy, Školská 118, PSČ 28571 | 50.00% | AGROFERT, a.s. |
| RURIS AGRO d.o.o. | HR | 64868240409 | Županja (Grad Županja) Matije Gupca 44 | 70.00% | AGRONOM d. o. o. |

**) There is an option for the purchase of a control interest.*

| Associates as at 31 December 2024 | Country | Business registration No. | Registered office | Recalculated interest in % | Direct holder |
|---|---|---|---|---|---|
| Agrodružstvo Katusice | CZ | 46353895 | Bezenská 173, 294 25 Katusice | 36.27% | AGROFERT, a.s. |
| AGROFERT ITALIA s.r.l. | IT | MB-1591191 | Muggio' (MB) - Viale Repubblica 74 | 50.00% | AGROFERT, a.s. |
| CS CABOT, spol. s r.o. | CZ | 14612411 | Masarykova 753, Krásno nad Bečvou, 757 01 Valašské Meziříčí | 48.00% | DEZA, a.s. |
| KEMIFLOC a.s. | CZ | 47674695 | Dluhonská 2858/111, Přerov I-Město, 750 02 Přerov | 49.00% | PRECHEZA a.s. |
| NEOCHIM AD | BG | 836144932 | Region Haskovo, municipality Dimitrovgrad post code 6403, Dimitrovgrad Str. Himkombinatska, Iztochna industrialna zona | 20.30% | FEBORAN EOOD |

The above recalculated interests in joint ventures and associates correspond to both the respective shares in voting rights and in equity. Differences between equity shares and shares in voting rights existing with certain associates are immaterial in terms of the Group.

Since 15 May 2024, AGROFERT, a.s. has held 65% of the voting rights and equity of EAST GRAIN SA. Management of the joint venture is exercised on the basis of an agreement between AGROFERT, a.s. and the other shareholders. Under the shareholders' agreement and the company's articles of association, a joint resolution of both the directors appointed by AGROFERT, a.s. and the directors appointed by the other shareholders is required to approve selected key decisions of the board of directors. Selected key decisions of the general meeting must be approved by at least 75% or 80% of all votes. EAST GRAIN SA is primarily engaged in the trading of agricultural commodities and fertilizers and in agricultural services such as storage and transportation. AGROFERT, a.s. and the other shareholders contracted a put and call option for the sale/purchase of the interests held by the remaining shareholders. The option can be exercised by both the seller and the buyer from 1 June 2028 on. The price of the ownership interest subject to the option is determined by calculation based on EBITDA.

Company AGRONOM d.o.o. is a joint venture of AGROFERT, a.s. and Mr. Darko Aračić. According to the Shareholders' Agreement and the Company's Articles of Association, selected key decisions of the Board of Directors and the General Meeting will require the explicit consent of Mr. Darko Aračić as long as he remains the owner of a share in the company. AGRONOM d.o.o. engages in the following activities: trading in agricultural commodities, fertilisers and seeds, trading in agricultural machinery, animal feed production, agricultural crop production and livestock farming. On the basis of an agreement between the shareholders, 60% of annual profit after tax is retained in the equity of AGRONOM d.o.o. and 40% of annual profit after tax is reserved for distribution to the shareholders in proportion to their shares in the company's equity. A put and call option agreement was made between the shareholders of AGROFERT, a.s. and Mr. Darko Aračić for the sale/purchase of the 30% interest held by Mr. Darko Aračić. The seller may exercise the put option to sell the ownership interest between November 2026 and November 2028. The buyer may exercise the call option to purchase the interest at any time after November 2026. The price of the ownership interest is determined on the basis of EBITDA.

Ethanol Energy a.s. is a joint venture of AGROFERT, a.s. and ENAGRO, a.s. and is involved in the production of anhydrous ethyl alcohol made from wheat and maize.

CS CABOT, spol. s r.o. is an associate which is involved in the production of rubber and plastic products and applies a fiscal year ending 30 September. This associate was consolidated by the equity method, using its annual financial statements for the years ended 30 September 2024 and 2023. These financial statements were adjusted to reflect material transactions that occurred from the associate's balance sheet date to 31 December 2024 and 2023, respectively.

There are no significant restrictions imposed on associates or joint ventures that would limit their ability to transfer cash in the form of dividend within the Group or repay loans granted by the Group except for restrictions that may exist as a result of contractual agreements with financing banks or other institutions.

The following table shows the composition of Group's investment in joint ventures and associates and share of main financial results from joint ventures and associates for the year ended 31 December 2024:

| **(In CZK thousands)** | **EAST GRAIN SA Group** | **Skupina AGRONOM d.o.o.** | **Ethanol Energy a.s.** | **CS CABOT, spol. s r.o.** | **Others** | **Total** |
|---|---|---|---|---|---|---|
| Investments in associates and joint ventures | 921,720 | 897,163 | 535,549 | 1,156,353 | 182,422*) | **3,693,207** |
| Dividends received | 9,663 | - | 25,000 | 333,307 | 83,554 | **451,524** |
| Group share in gain (loss) on continuing activities | 7,126 | 27,968 | 65,127 | 710,728 | 94,758 | **905,707** |
| Group share in other comprehensive income/(loss) | 15,533 | 15,932 | - | - | 3,772 | **35,237** |
| Group share in total comprehensive income/(loss) | 22,659 | 43,900 | 65,127 | 710,728 | 98,530 | **940,944** |

**) Investment in the associate Neochim AD were reclassified to assets classified as held for sale as at 31 December 2024.*

The following table shows the composition of Group's investment in joint ventures and associates and share of main financial results from joint ventures and associates for the year ended 31 December 2023:

| **(In CZK thousands)** | **EAST GRAIN SA Group** | **Skupina AGRONOM d.o.o.** | **Ethanol Energy a.s.** | **CS CABOT, spol. s r.o.** | **Others** | **Total** |
|---|---|---|---|---|---|---|
| Investments in associates and joint ventures | - | 853,263 | 495,421 | 778,932 | 389,532 | **2,517,148** |
| Dividends received | - | - | 25,000 | 604,600 | 71,329 | **700,929** |
| Group share in gain (loss) on continuing activities | - | (9,693) | 23,766 | 696,972 | 54,085 | **765,130** |
| Group share in other comprehensive income/(loss) | - | 21,167 | - | - | 8,930 | **30,097** |
| Group share in total comprehensive income/(loss) | - | 11,474 | 23,766 | 696,972 | 63,015 | **795,227** |

For creation and reversal of allowances for investments in associates and joint ventures, refer to Note 24.

The following table summarizes financial information about the joint ventures and significant associate as at 31 December 2024 and 2023:

| (In CZK thousands) | Joint venture EAST GRAIN SA Group Romania | | Joint venture AGRONOM d.o.o. Group Croatia | | Joint venture Ethanol Energy a.s. Czechia | | Associate CS CABOT, spol. s r.o. Czechia | |
|---|---|---|---|---|---|---|---|---|
| | **2024*)** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| *Share in equity and voting rights* | *65%* | - | *70%* | *70%* | *50%* | *50%* | *48%* | *48%* |
| **Total assets** | **1,438,252** | **-** | **3,021,917** | **2,758,534** | **1,352,363** | **1,183,686** | **3,174,502** | **2,305,284** |
| Non-current assets | 549,707 | - | 960,793 | 847,669 | 575,556 | 632,906 | 593,531 | 596,803 |
| Current assets | 888,545 | - | 2,061,124 | 1,910,865 | 776,807 | 550,780 | 2,580,971 | 1,708,481 |
| *Of which: cash and cash equivalents* | *44,535* | - | *41,719* | *24,463* | *57,560* | *73,886* | *30,315* | *36,866* |
| **Total liabilities and equity** | **1,438,252** | **-** | **3,021,917** | **2,758,534** | **1,352,363** | **1,183,686** | **3,174,502** | **2,305,284** |
| Long-term liabilities and provisions | 202,709 | - | 376,060 | 265,563 | 63,396 | 62,527 | 182,066 | 172,268 |
| *Of which: long-term financial liabilities (other than trade and other liabilities and provisions)* | *198,845* | - | *281,948* | *216,965* | - | - | - | - |
| Current liabilities and provisions | 490,343 | - | 1,668,832 | 1,573,097 | 217,870 | 130,316 | 583,368 | 510,240 |
| *Of which: current financial liabilities (other than trade and other liabilities and provisions)* | *357,533* | - | *1,181,132* | *1,299,197* | *35* | *28* | - | - |
| **Total equity** | **745,200** | **-** | **977,025** | **919,874** | **1,071,097** | **990,843** | **2,409,068** | **1,622,776** |
| *Of which: attributable to equity holders of the parent* | *744,931* | | *977,025* | *919,874* | *1,071,097* | *990,843* | *2,409,068* | *1,622,776* |
| *attributable to non-controlling interests* | *269* | | - | - | - | - | - | - |
| Equity share | 484,205 | - | 683,917 | 643,912 | 535,549 | 495,421 | 1,156,353 | 778,932 |
| Goodwill | 437,515 | - | 213,246 | 209,351 | - | - | - | - |
| Investment in associates and joint ventures | 921,720 | - | 897,163 | 853,263 | 535,549 | 495,421 | 1,156,353 | 778,932 |
| | | | | | | | | |
| Revenue | 3,087,663 | - | 3,302,243 | 2,879,706 | 1,788,420 | 1,747,396 | 5,058,092 | 4,734,623 |
| Operating expenses | (3,018,826) | - | (3,225,340) | (2,871,768) | (1,634,107) | (1,717,181) | (3,298,011) | (2,942,694) |
| *Of which: depreciation and amortization* | *(20,067)* | - | *(106,411)* | *(82,799)* | *(108,622)* | *(98,498)* | *(61,443)* | *(59,090)* |
| Financial expenses and income, net, and disposal of shares in subsidiaries | (32,102) | - | (32,075) | (18,157) | 16,357 | 15,307 | 79,258 | 2,666 |
| *Of which: interest expense* | *(28,894)* | - | *(66,121)* | *(36,885)* | *(2,678)* | *(2,559)* | *(3,418)* | *(7,057)* |
| *interest income* | *4,555* | - | *41,004* | *26,789* | *18,013* | *15,973* | *69,657* | *23,007* |
| **Profit / (loss) before income taxes** | **36,735** | **-** | **44,828** | **(10,219)** | **170,670** | **45,522** | **1,839,339** | **1,794,595** |
| Income taxes | (25,918) | - | (4,874) | (3,628) | (40,415) | 2,011 | (358,656) | (342,570) |
| **Net profit / (loss) after income taxes** | **10,817** | **-** | **39,954** | **(13,847)** | **130,255** | **47,533** | **1,480,683** | **1,452,025** |
| *Of which: attributable to equity holders of the parent* | *10,963* | | *39,954* | *(13,847)* | *130,255* | *47,533* | *1,480,683* | *1,452,025* |
| *attributable to non-controlling interests* | *(146)* | | - | - | - | - | - | - |
| Other comprehensive income / (loss) | 10,866 | - | 17,196 | 22,806 | - | - | - | - |
| Exchange rate gain / (loss) from goodwill and contribution to equity | 8,470 | - | 3,895 | 5,203 | - | - | - | - |
| **Total comprehensive income / (loss)** | **30,153** | **-** | **61,045** | **14,162** | **130,255** | **47,533** | **1,480,683** | **1,452,025** |

**) EAST GRAIN SA Group was included in the consolidated financial statements from 1 June 2024. Its financial information from the statement of income and the statement of comprehensive income is presented for the period from 1 June 2024 to 31 December 2024.*

## 4.3 Group Changes in 2024

As a result of mergers and de-mergers, the following companies were wound up without liquidation in 2024:

| Companies that ceased to exist | Successor companies | Effective date |
|---|---|---|
| MM-Invest, s.r.o. | TOP HOP spol. s r.o. | 1 January 2024 |
| PMU CZ, a.s. | Animalco a.s. | 1 January 2024 |
| Poľnoslužby Bebrava, a.s. | ACHP Levice a.s. | 1 January 2024 |

Change in company name and change of the legal form were as follows in 2024:

| Before change | After change | Date of the change in commercial register |
|---|---|---|
| KU uzeniny, s.r.o. | Bohemia Pork, s.r.o. | 26 March 2024 |
| AGROTEC servis s.r.o. | AGROTEC plus s.r.o. | 1 September 2024 |
| SILODEP SRL | EAST GRAIN COMMODITIES SRL | 31 December 2024 |

The following companies, in which controlling interests were acquired or that were newly established, became part of the Group in 2024: FYTO spol. s r.o., GreenChem Adriatic BH d.o.o., GreenChem Austria GmbH, GREENCHEM ROMANIA SRL, Horal BPS s.r.o., Horal, akciová společnost, Hláska, IKR Services Kft., LUNY, s.r.o, LUPOFYT s.r.o. Neveklov a.s. and Quality Bakers GmbH.

AGROSPOL Košice, s.r.o., Farma Holešov s.r.o. and Statek Lom s.r.o., subsidiaries that had originally been excluded from the consolidated financial statements due to immateriality, were included in consolidation as of 1 January 2024.

In 2024, the recalculated ownership interests in the following subsidiaries increased: CIZ - AGRO, a.s., Farma HYZA a.s., GREENCHEM POLAND SP. Z O.O. W LIKWIDACJI, Horal BPS s.r.o., Horal, akciová společnost, Hláska, HYZA a.s., KROW, s.r.o., Neveklov a.s., Poľnohospodárske družstvo Bátovce, Poľnohospodárske družstvo Beša, Poľnohospodárske družstvo Horné Obdokovce, Pol'nohospodárske družstvo Ludanice a Svornost Těmice, a.s.

As at 1 February 2024, the ownership interests in ACOMWARE s.r.o., Centrum organické chemie s.r.o., goticket.sk, s.r.o. v likvidácii, IRS network a.s., IRSnet CZ s.r.o., LIN a.s., LONDA spol. s r. o., MAFRA, a.s., MAFRA Slovakia, a.s., Stanice O, a.s., Synthesia, a.s., Ticketportal HU Kft., Ticketportal SK, s. r. o. and Výzkumný ústav organických syntéz a.s. were sold to a third party, see Note 9. Further, Statek Podolí, spol. s r.o. was sold in 2024.

*Joint ventures and associates*

In 2024, ownership interests in the companies AGROSERVICE EGS d.o.o., Cargolog Hungary Kft., EAST AGRO INPUT SRL, EAST GRAIN COMMODITIES SRL., EAST CARGOLOG SRL, EAST GRAIN D.O.O., East Grain Hungary Korlátolt Felelősségű Társaság, EAST GRAIN SA, EAST SILODEP SRL. a RURIS AGRO d.o.o. were acquired.

As a result of acquisitions of additional ownership interests in January 2024, the level of influence in Neveklov a.s. has changed and the company has been reclassified from associates to subsidiaries.

As at 1 February 2024, the ownership interest in the associate První novinová společnost a.s. was sold to a third party.

## 4.4 Group Changes in 2023

As a result of mergers and de-mergers, the following companies were wound up without liquidation in 2023:

| Companies that ceased to exist | Successor companies | Effective date |
|---|---|---|
| DENAX, a.s. | IRS network a.s. | 1 January 2023 |
| PREOL FOOD, a.s. | PREOL, a.s. | 1 January 2023 |
| Julia Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG | Lieken Brot- und Backwaren GmbH | 31 July 2023 |

Change in company name and change of the legal form were as follows in 2023:

| Before change | After change | Effective date |
|---|---|---|
| goticket sk, s.r.o. | goticket.sk, s.r.o. v likvidácii | 6 January 2023 |
| PROMOS inženiring, d.o.o. | GreenChem SI d.o.o. | 22 June 2023 |
| Borealis Agrolinz Melamine Deutschland GmbH | LAT Nitrogen Piesteritz GmbH | 15 September 2023 |
| Borealis Agrolinz Melamine GmbH | LAT Nitrogen Linz GmbH | 17 August 2023 |
| Borealis L.A.T doo, Beograd | LAT Nitrogen doo Beograd | 29 August 2023 |
| Borealis L.A.T GmbH | LAT Nitrogen Austria GmbH | 3 August 2023 |
| Borealis L.A.T Bulgaria EOOD | LAT Nitrogen Bulgaria EOOD | 25 August 2023 |
| Borealis L.A.T Romania s.r.l. | LAT NITROGEN ROMANIA SRL | 25 August 2023 |
| Borealis L.A.T Hungary Kft. | LAT Nitrogen Hungary Kft | 24 August 2023 |
| Borealis L.A.T France S.A.S. | LAT Nitrogen France Services SAS | 7 August 2023 |
| Borealis Produits et Engrais Chimiques du Rhin S.A.S. | LAT Nitrogen Ottmarsheim SAS | 12 September 2023 |
| Borealis Chimie S.A.S. | LAT Nitrogen France SAS | 7 August 2023 |

The following companies, in which controlling interests were acquired or that were newly established or included, became part of the Group in 2023: PROMOS inženiring, d.o.o., T U F A, společnost s ručením omezeným, FEBORAN EOOD, Borealis Agrolinz Melamine Deutschland GmbH, Borealis Agrolinz Melamine GmbH, Borealis L.A.T doo, Beograd, Borealis L.A.T GmbH, Borealis L.A.T Bulgaria EOOD , Borealis L.A.T Romania s.r.l., Borealis L.A.T Hungary Kft., Borealis L.A.T France S.A.S., Borealis Produits et Engrais Chimiques du Rhin S.A.S., Borealis Chimie S.A.S., HASINA s.r.o., Svornost Těmice, a.s., KROW, s.r.o., CIZ - AGRO, a.s., Statek Podolí, spol. s r.o.

In 2023, the recalculated ownership interests in the following subsidiaries increased: Farma HYZA a.s., HYZA a.s., Poľnohospodárske družstvo Bátovce, Poľnohospodárske družstvo Beša, Poľnohospodárske družstvo Horné Obdokovce, Pol'nohospodárske družstvo Ludanice, Poľnoslužby Bebrava, a.s., Šarišské pekárne a cukrárne, akciová spoločnosť, VUCHT a.s.

### *Joint ventures and associates*

In 2023, ownership interests in the companies NEOCHIM AD and Neveklov a.s. were acquired.

## 4.5 Acquisitions in 2024

In 2024, the Group acquired controlling interests in the following companies:

| Company | Acquisition date | Recalculated interest (in %) | Industry |
|---|---|---|---|
| Neveklov a.s. | 16 January 2024 | 70.09% | Primary production of agricultural products |
| Horal BPS s.r.o. | 3 May 2024 | 51.57% | Primary production of agricultural products |
| Horal, akciová společnost Hláska | 3 May 2024 | 51.57% | Primary production of agricultural products |
| FYTO spol. s r.o. | 28 May 2024 | 100.00% | Primary production of agricultural products |
| LUNY, s.r.o. | 28 May 2024 | 100.00% | Primary production of agricultural products |
| LUPOFYT s.r.o. | 30 October 2024 | 100.00% | Primary production of agricultural products |

The fair values of acquired identifiable assets and liabilities of the acquired companies above at the acquisition date were as follows:

| (In CZK thousands) | Total |
|---|---|
| **Total assets** | **988,032** |
| **Non-current assets** | **833,953** |
| Property, plant and equipment | 757,126 |
| Right of use asset | 57,031 |
| Intangible assets | 30 |
| Non-current biological assets | 19,288 |
| Long-term financial assets | 478 |
| **Current assets** | **154,079** |
| Inventories | 30,272 |
| Current biological assets | 42,175 |
| Trade and other receivables | 50,133 |
| Income tax receivable | 3,543 |
| Cash and cash equivalents | 27,956 |
| **Total liabilities and equity** | **988,032** |
| **Long-term liabilities and provisions** | **240,819** |
| Long-term bank and other loans and borrowings | 104,456 |
| Long-term lease liability | 45,662 |
| Trade and other long-term liabilities | 4,071 |
| Deferred tax liability | 86,630 |
| **Current liabilities and provisions** | **120,490** |
| Short-term bank and other loans and borrowings | 47,795 |
| Short-term lease liability | 11,369 |
| Trade and other current liabilities | 61,326 |
| **Total equity** | **626,723** |

Effects of 2024 business combinations on goodwill were as follows:

| (In CZK thousands) | Total |
|---|---|
| Cost of acquisition | 727,008 |
| Fair value of share previously held in associate | 49,137 |
| Fair value of acquired net assets | 626,723 |
| Share on fair value of acquired net assets | 544,725 |
| Goodwill (+) | 231,420 |

Goodwill recognized on business combinations comprises fair values of synergies arising from acquisitions; no part of goodwill is tax deductible.

Revenue generated by newly acquired subsidiaries from the acquisition date and their net impact on Group's profit/(loss) in 2024 totaled CZK 81,238 thousand and CZK 7,417 thousand, respectively.

The carrying amounts of trade receivables reflect their fair values.

Effects of acquisitions on statement of cash flows in 2024:

| (In CZK thousands) | 2024 |
|---|---|
| Investment in subsidiaries | (727,008) |
| Investment in joint ventures and associates | (898,267) |
| Payments of liabilities from prior-period acquisitions | (1,231,216) |
| Cash acquired in acquisition | 27,956 |
| **Acquisition of subsidiaries, net of cash acquired and acquisition of joint ventures and associates** | **(2,828,535)** |
| Acquisition of non-controlling interests | (48,003) |
| **Total cash outflows on acquisitions** | **(2,876,538)** |

Group management estimates that had all acquisitions occurred at the beginning of 2024, the Group's profit for 2024 would have been lower by CZK 9,472 thousand and revenue for 2024 would have been higher by CZK 77 135 thousand. The estimate was based on the interim unaudited financial statements of individual Group companies.

*Acquisitions of non-controlling interests 2024*

Companies where the Group increased its shareholding in 2024 are listed in Note 4.3. Share in acquired net assets and the effect of the acquisitions on the consolidated equity were immaterial.

## 4.6 Acquisitions in 2023

In 2023, the Group acquired controlling interests in the following companies:

| Company | Company's original name*) | Acquisition date | Recalculated interest (in %) | Industry |
|---|---|---|---|---|
| GreenChem SI d.o.o. | PROMOS inženiring, d.o.o. | 9 June 2023 | 100.00% | Distribuce Adblue |
| T U F A , společnost s ručením omezeným | - | 20 June 2023 | 100.00% | Primary production of agricultural products |
| FEBORAN EOOD | - | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Piesteritz GmbH | Borealis Agrolinz Melamine Deutschland GmbH | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Linz GmbH | Borealis Agrolinz Melamine GmbH | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen doo Beograd | Borealis L.A.T doo, Beograd | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Austria GmbH | Borealis L.A.T GmbH | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Bulgaria EOOD | Borealis L.A.T Bulgaria EOOD | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT NITROGEN ROMANIA SRL | Borealis L.A.T Romania s.r.l. | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Hungary Kft | Borealis L.A.T Hungary Kft. | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen France Services SAS | Borealis L.A.T France S.A.S. | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen Ottmarsheim SAS | Borealis Produits et Engrais Chimiques du Rhin S.A.S. | 5 July 2023 | 100.00% | Nitrogen processing |
| LAT Nitrogen France SAS | Borealis Chimie S.A.S. | 5 July 2023 | 100.00% | Nitrogen processing |
| HASINA s.r.o. | - | 1 November 2023 | 100.00% | Primary production of agricultural products |
| Svornost Těmice, a.s. | - | 14 November 2023 | 60.00% | Primary production of agricultural products |
| Statek Podolí, spol. s r.o. | - | 22 November 2023 | 70.00% | Primary production of agricultural products |
| KROW, s.r.o. | - | 22 November 2023 | 70.00% | Primary production of agricultural products |
| CIZ - AGRO, a.s. | - | 22 November 2023 | 63.71% | Primary production of agricultural products |

**) Some of the companies were renamed afted the date of their acquisition.*

The transactions also covered other companies that were not included in the consolidated financial statements of the AGROFERT Group due to their immateriality.

The fair values of acquired identifiable assets and liabilities of the acquired companies above at the acquisition date were as follows:

| (In CZK thousands) | LAT Nitrogen business | Other | Total |
|---|---|---|---|
| **Total assets** | **34,711,096** | **1,253,941** | **35,965,037** |
| **Non-current assets** | **21,785,340** | **857,099** | **22,642,439** |
| Property, plant and equipment | 16,038,772 | 728,892 | 16,767,664 |
| Right of use asset | 234,465 | 106,503 | 340,968 |
| Intangible assets | 4,972,052 | - | 4,972,052 |
| Non-current biological assets | - | 21,019 | 21,019 |
| Deferred tax asset | 166,353 | - | 166,353 |
| Long-term financial assets | 80,510 | 371 | 80,881 |
| Long-term receivables | 90,869 | 314 | 91,183 |
| Investments in associates and joint ventures | 202,319 | - | 202,319 |
| **Current assets** | **12,925,586** | **396,842** | **13,322,428** |
| Inventories | 3,209,872 | 80,575 | 3,290,447 |
| Current biological assets | - | 78,274 | 78,274 |
| Short-term financial assets | 40,681 | 15,500 | 56,181 |
| Trade and other receivables | 5,049,389 | 121,121 | 5,170,510 |
| Income tax receivable | 159,105 | 3,134 | 162,239 |
| Cash and cash equivalents | 4,466,539 | 98,238 | 4,564,777 |
| **Assets classified as held for sale** | **170** | **-** | **170** |
| **Total liabilities and equity** | **34,711,096** | **1,253,941** | **35,965,037** |
| **Long-term liabilities and provisions** | **9,166,126** | **312,675** | **9,478,801** |
| Long-term bank and other loans and borrowings | 6,689,241*) | 140,437 | 6,829,678 |
| Long-term lease liability | 149,843 | 86,355 | 236,198 |
| Trade and other long-term liabilities | 1,094,889 | - | 1,094,889 |
| Deferred tax liability | 591,242 | 85,883 | 677,125 |
| Long-term provisions | 640,911 | - | 640,911 |
| **Current liabilities and provisions** | **8,570,641** | **203,462** | **8,774,103** |
| Short-term bank and other loans and borrowings | 48,615 | 66,066 | 114,681 |
| Short-term lease liability | 89,195 | 20,148 | 109,343 |
| Trade and other current liabilities | 5,161,444 | 115,554 | 5,276,998 |
| Income tax payable | 1,408,991 | 1,694 | 1,410,685 |
| Current provisions | 1,862,396 | - | 1,862,396 |
| **Total equity** | **16,974,329** | **737,804** | **17,712,133** |

**) Including a loan purchased from the seller towards the companies acquired in the amount of CZK 6 635 530 thousand (EUR 280 039 thousand).*

Effects of 2023 business combinations on goodwill were as follows:

| (In CZK thousands) | LAT Nitrogen business | Other | Total |
|---|---|---|---|
| Cost of acquisition | 21,356,004*) | 715,653 | 22,071,657 |
| Fair value of acquired net assets | 23,609,859 | 737,804 | 24,347,663 |
| Share of the Group being acquired | 100.00% | - | - |
| Share on fair value of acquired net assets | 23,609,859 | 518,536 | 24,128,395 |
| Goodwill (+) | - | 197,117 | 197,117 |
| Gain from a bargain purchase (-) (see Note 25) | (2,253,855) | - | (2,253,855) |

**) A present value of purchase price includes the price for loans purchased from the seller towards the companies acquired in the amount of CZK 6,635,530 thousand (EUR 280,039 thousand). The purchase price includes an estimate of difference between actual and estimated amount of net working capital and net debt, which is a subject-matter of decision-making procedure between the seller and the buyer. Part of the purchase price will be paid in fixed payments in future periods.*

The recognized gain from the bargain purchase of the LAT Nitrogen business arose mainly due to the unexpected development of economic conditions between the date of submission of the binding offer to the seller to acquire the nitrogen processing business at the beginning of June 2022 and the date of settlement of the transaction. Goodwill recognized on business combinations comprises fair values of synergies arising from acquisitions; no part of goodwill is tax deductible.

Revenue generated by newly acquired subsidiaries from the acquisition date and their net impact on Group's profit/(loss) in 2023 totaled CZK 13,901,319 thousand and CZK (2,596,587) thousand, respectively. This loss was, in particular, due to the revaluation of granted free-of-charge emission allowances to the acquired companies to fair value at the acquisition date; a provision for emission rights is recognized for most of these emission rights in the second half of 2023.

The carrying amounts of trade receivables reflect their fair values.

Effects of acquisitions on statement of cash flows in 2023:

| **(In CZK thousands)** | **2023** |
|---|---|
| Investment in subsidiaries | (1,245,788) |
| Investment in joint ventures and associates | (198,330) |
| Cash acquired in acquisition | 6,371 |
| **Acquisition of subsidiaries, net of cash acquired and acquisition of joint ventures and associates** | **(1,437,747)** |
| Acquisition of non-controlling interests | (109,720) |
| **Total cash outflows on acquisitions** | **(1,547,467)** |

Group management estimates that had all acquisitions occurred at the beginning of 2023, the Group's profit for 2023 would have been lower by CZK 958,874 thousand and revenue for 2023 would have been higher by CZK 17,090,234 thousand. The estimate was based on the interim unaudited financial statements of individual Group companies.

*Acquisitions of non-controlling interests 2023*

Companies where the Group increased its shareholding in 2023 are listed in Note 4.4. Share in acquired net assets and the effect of the acquisitions on the consolidated equity were immaterial.

## 4.7 Details about Financial Statements of Consolidated Companies

Certain controlled companies based in Germany are in accordance with Section 264 (3) of the German Commercial Code (HGB) exempted from the obligation to publish their annual financial statements and management reports for the period ending 31 December 2024. The companies are as follows: SKW Stickstoffwerke Piesteritz GmbH (Lutherstadt Wittenberg), AGROFERT Deutschland GmbH (Lutherstadt Wittenberg), GreenChem GmbH (Lutherstadt Wittenberg) and Wittenberger Umweltservice GmbH (Lutherstadt Wittenberg).

SKW Stickstoffwerke Piesteritz GmbH (Lutherstadt Wittenberg) is the parent of AGROFERT Deutschland GmbH (Lutherstadt Wittenberg) and Wittenberger Umweltservice GmbH (Lutherstadt Wittenberg) and has indirect control over GreenChem GmbH (Lutherstadt Wittenberg).

AGROFERT Deutschland GmbH (Lutherstadt Wittenberg) is the parent of GreenChem GmbH (Lutherstadt Wittenberg).

Pursuant to Section 291 of the German Commercial Code (HGB) SKW Piesteritz GmbH (Lutherstadt Wittenberg) and AGROFERT Deutschland GmbH (Lutherstadt Wittenberg) are required to prepare consolidated financial statements and group's status report for the year ended 31 December 2024. However these companies intend to apply Section 291 (1) and (2) of the German Commercial Code (HGB) and not to prepare consolidated financial statements and group's status report for the year ended 31 December 2024 as they are included in the consolidated financial statements of the Group of AGROFERT, a.s. with its registered office at Pyšelská 2327/2, Chodov, 149 00 Prague 4, Czech Republic prepared for the year ended 31 December 2024. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and audited in accordance with EU Directives.

# 5 Non-current Assets and Investment Property

## 5.1 Property, Plant and Equipment

| (In CZK thousands) | Land | Buildings and structures | Machinery and equipment | Vehicles | Other tangibles | Non-refundable advances and tangibles in progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost as at 1 January 2024** | **11,497,077** | **73,637,870** | **150,942,176** | **12,519,444** | **3,116,083** | **7,073,159** | **258,785,809** |
| Additions | - | - | - | - | - | 14,177,165 | 14,177,165 |
| *Of which additions generated by own activities* | - | - | - | - | - | *181,039* | *181,039* |
| Disposals | (56,690) | (496,535) | (2,774,063) | (1,067,215) | (207,767) | (23,061) | (4,625,331) |
| Acquisition of subsidiaries | 545,358 | 280,570 | 371,159 | 44,436 | 3,789 | 1,057 | 1,246,369 |
| Loss of control over subsidiaries | (133,523) | (596) | - | - | - | - | (134,119) |
| Change in the estimates of decommissioning provision | - | (26,594) | (1,676) | - | - | - | (28,270) |
| Transfers*) | 830,512 | 2,181,791 | 7,421,367 | 1,203,969 | 184,132 | (11,876,151) | (54,380) |
| Transfers from/to Investment property, net | - | (2,853) | - | - | - | (2,281) | (5,134) |
| Transfers from/to Assets classified as held for sale, net | - | - | - | (5,912) | - | - | (5,912) |
| Transfers from/to Right of use assets, net | - | - | 6,238 | 985 | - | - | 7,223 |
| Transfers from/to Finance lease receivables, net | - | - | (1,830) | - | - | - | (1,830) |
| Exchange rate gains/(losses) | 79,064 | 457,515 | 1,765,229 | 42,379 | 52,516 | 76,864 | 2,473,567 |
| **Cost as at 31 December 2024** | **12,761,798** | **76,031,168** | **157,728,600** | **12,738,086** | **3,148,753** | **9,426,752** | **271,835,157** |
| | | | | | | | |
| **Accumulated depreciation and impairment as at 1 January 2024** | **(183,553)** | **(39,214,273)** | **(108,215,752)** | **(8,071,280)** | **(2,290,804)** | **(42,921)** | **(158,018,583)** |
| Depreciation (see Note 21) | - | (2,199,484) | (6,814,421) | (906,254) | (289,705) | - | (10,209,864) |
| Disposals | - | 386,196 | 2,475,529 | 691,343 | 219,479 | - | 3,771,547 |
| Acquisition of subsidiaries | - | (163,353) | (281,470) | (41,002) | (3,418) | - | (489,243) |
| Loss of control over subsidiaries | - | 286 | - | - | - | - | 286 |
| Transfers*) | - | 62 | 40,138 | (17,401) | (22,799) | - | - |
| Transfers from/to Investment property | - | 2,346 | - | - | - | - | 2,346 |
| Transfers from/to Assets classified as held for sale | - | - | - | 1,105 | - | - | 1,105 |
| Impairment losses recognized in profit or loss (see Note 24) | (223) | (68,853) | (33,350) | - | (3,309) | (22,144) | (127,879) |
| Reversals of impairment losses recognized in profit or loss (see Note 24) | 5 | 96,705 | 392,122 | - | 5,969 | 12,011 | 506,812 |
| Exchange rate gains/(losses) | (3,412) | (299,210) | (1,298,777) | (31,053) | (38,616) | (181) | (1,671,249) |
| **Accumulated depreciation and impairment as at 31 December 2024** | **(187,183)** | **(41,460,578)** | **(113,735,981)** | **(8,374,542)** | **(2,423,203)** | **(53,235)** | **(166,234,722)** |
| | | | | | | | |
| **Carrying amount, net as at 31 December 2024** | **12,574,615** | **34,570,590** | **43,992,619** | **4,363,544** | **725,550** | **9,373,517** | **105,600,435** |

**) Transfers include reclassifications of assets already put in use among asset classes.*

We honor our ancestral heritage by leveraging the latest technologies.

| (In CZK thousands) | Land | Buildings and structures | Machinery and equipment | Vehicles | Other tangibles | Non-refundable advances and tangibles in progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost as at 1 January 2023** | **8,593,980** | **67,376,785** | **110,586,387** | **11,679,192** | **2,944,617** | **5,091,098** | **206,272,059** |
| Additions | - | - | - | - | - | 10,943,055 | 10,943,055 |
| *Of which additions generated by own activities* | - | - | - | - | - | *443,514* | *443,514* |
| Disposals | (50,333) | (374,698) | (3,518,643) | (631,305) | (144,088) | (17,416) | (4,736,483) |
| Acquisition of subsidiaries | 2,719,879 | 8,331,014 | 45,609,837 | 148,600 | - | 1,119,954 | 57,929,284 |
| Change in the estimates of decommissioning provision | - | 37,425 | -1,564 | - | - | - | 35,861 |
| Transfers*) | 432,909 | 2,350,307 | 5,506,859 | 1,537,556 | 253,221 | (10,082,227) | (1,375) |
| Transfers from/to Investment property, net | - | (17,777) | - | - | - | - | (17,777) |
| Transfers from/to Assets classified as held for sale, net | (358,189) | (5,068,093) | (10,678,470) | (286,318) | (15,871) | (133,474) | (16,540,415) |
| Transfers from/to Right of use assets, net | - | - | - | - | - | 8,052 | 8,052 |
| Exchange rate gains/(losses) | 158,831 | 1,002,907 | 3,437,770 | 71,719 | 78,204 | 144,117 | 4,893,548 |
| **Cost as at 31 December 2023** | **11,497,077** | **73,637,870** | **150,942,176** | **12,519,444** | **3,116,083** | **7,073,159** | **258,785,809** |
| | | | | | | | |
| **Accumulated depreciation and impairment as at 1 January 2023** | **(78,076)** | **(35,241,343)** | **(78,154,899)** | **(7,707,963)** | **(2,105,378)** | **(43,992)** | **(123,331,651)** |
| Depreciation (see Note 21) | - | (2,076,580) | (5,916,772) | (868,543) | (287,481) | - | (9,149,376) |
| Disposals | - | 311,979 | 3,291,104 | 463,309 | 143,764 | - | 4,210,156 |
| Acquisition of subsidiaries | (103,616) | (5,980,071) | (34,957,670) | (120,151) | - | (112) | (41,161,620) |
| Transfers*) | - | (62) | (77) | 24 | - | - | (115) |
| Transfers from/to Investment property | - | 10,224 | - | - | - | - | 10,224 |
| Transfers from/to Assets classified as held for sale | 2,587 | 3,858,251 | 8,712,384 | 213,533 | 13,826 | 3,805 | 12,804,386 |
| Impairment losses recognized in profit or loss (see Note 24) | (213) | (194,081) | (89,670) | (8,922) | (6,302) | (5,581) | (304,769) |
| Reversals of impairment losses recognized in profit or loss (see Note 24) | 2,159 | 665,710 | 1,413,756 | 6,699 | 8,746 | 3,161 | 2,100,231 |
| Exchange rate gains/(losses) | (6,394) | (568,300) | (2,513,908) | (49,266) | (57,979) | (202) | (3,196,049) |
| **Accumulated depreciation and impairment as at 31 December 2023** | **(183,553)** | **(39,214,273)** | **(108,215,752)** | **(8,071,280)** | **(2,290,804)** | **(42,921)** | **(158,018,583)** |
| | | | | | | | |
| **Carrying amount, net as at 31 December 2023** | **11,313,524** | **34,423,597** | **42,726,424** | **4,448,164** | **825,279** | **7,030,238** | **100,767,226** |

**) Transfers include reclassifications of assets already put in use among asset classes.*

Of which items of property, plant and equipment subject to the operating-lease arrangements with the Group as a lessor:

| (In CZK thousands) | Land | Buildings and structures | Machinery and equipment | Vehicles | Other tangibles | Total |
|---|---|---|---|---|---|---|
| **Cost as at 1 January 2024** | **326,586** | **1,899,680** | **499,310** | **552,655** | **53,578** | **3,331,809** |
| Additions from tangibles in progress | - | 24,258 | 167,497 | 92,615 | 910 | 285,280 |
| Disposals | (434) | (13,884) | (65,955) | (163,647) | - | (243,920) |
| Transfers from/to property, plant and equipment which is not subject to the operating-lease arrangements | 26,272 | 120,520 | 1 | - | - | 146,793 |
| Exchange rate gains/(losses) | 3,713 | 18,465 | 1,531 | 2,064 | 999 | 26,772 |
| **Cost as at 31 December 2024** | **356,137** | **2,049,039** | **602,384** | **483,687** | **55,487** | **3,546,734** |
| | | | | | | |
| **Accumulated depreciation and impairment as at 1 January 2024** | **-** | **(878,841)** | **(116,940)** | **(155,246)** | **(45,239)** | **(1,196,266)** |
| Depreciation | - | (77,407) | (39,102) | (47,877) | (2,736) | (167,122) |
| Disposals | - | 6,989 | 6,518 | 58,530 | - | 72,037 |
| Transfers from/to property, plant and equipment which is not subject to the operating-lease arrangements | - | (76,550) | (20) | - | - | (76,570) |
| Exchange rate gains/(losses) | - | (8,098) | (330) | (1,004) | (849) | (10,281) |
| **Accumulated depreciation and impairment as at 31 December 2024** | **-** | **(1,033,907)** | **(149,874)** | **(145,597)** | **(48,824)** | **(1,378,202)** |
| | | | | | | |
| **Carrying amount, net as at 31 December 2024** | **356,137** | **1,015,132** | **452,510** | **338,090** | **6,663** | **2,168,532** |

| (In CZK thousands) | Land | Buildings and structures | Machinery and equipment | Vehicles | Other tangibles | Total |
|---|---|---|---|---|---|---|
| **Cost as at 1 January 2023** | **138,773** | **1,835,168** | **351,592** | **425,077** | **51,923** | **2,802,533** |
| Additions from tangibles in progress | - | 58,661 | 182,974 | 149,401 | 332 | 391,368 |
| Disposals | (313) | (4,712) | (56,825) | (31,484) | - | (93,334) |
| Acquisition of subsidiaries | 189,168 | 175,323 | - | - | - | 364,491 |
| Transfers from/to property, plant and equipment which is not subject to the operating-lease arrangements | (18) | 26,945 | 36,919 | 6,958 | - | 70,804 |
| Transfers from/to Assets classified as held for sale | (9,302) | (226,946) | (17,393) | - | - | (253,641) |
| Exchange rate gains/(losses) | 8,278 | 35,241 | 2,043 | 2,703 | 1,323 | 49,588 |
| **Cost as at 31 December 2023** | **326,586** | **1,899,680** | **499,310** | **552,655** | **53,578** | **3,331,809** |
| | | | | | | |
| **Accumulated depreciation and impairment as at 1 January 2023** | **-** | **(847,056)** | **(78,264)** | **(105,116)** | **(40,391)** | **(1,070,827)** |
| Depreciation | - | (53,724) | (27,493) | (51,883) | (3,717) | (136,817) |
| Disposals | - | 3,615 | 6,360 | 9,984 | - | 19,959 |
| Acquisition of subsidiaries | - | (147,194) | - | - | - | (147,194) |
| Transfers from/to property, plant and equipment which is not subject to the operating-lease arrangements | - | (28,498) | (32,668) | (6,898) | - | (68,064) |
| Transfers from/to Assets classified as held for sale | - | 207,442 | 15,561 | - | - | 223,003 |
| Exchange rate gains/(losses) | - | (13,426) | (436) | (1,333) | (1,131) | (16,326) |
| **Accumulated depreciation and impairment as at 31 December 2023** | **-** | **(878,841)** | **(116,940)** | **(155,246)** | **(45,239)** | **(1,196,266)** |
| | | | | | | |
| **Carrying amount, net as at 31 December 2023** | **326,586** | **1,020,839** | **382,370** | **397,409** | **8,339** | **2,135,543** |

As at 31 December 2024 and 2023, property, plant and equipment with a net book value of CZK 8,918,695 thousand and CZK 9,271,413 thousand, respectively were used as a pledge provided for the Group loans. See also Note 18.1.

Changes in impairment allowances recognized against property, plant and equipment are presented within Impairment of goodwill and changes in impairment allowances against non-current assets and operating provisions, net, see Note 24.

The most significant part of the impairment loss reversal amounting to CZK 317,830 thousand recognized in 2024 was related to the decrease of the impairment of property, plant and equipment of the German bakery companies' cash-generating unit (of which CZK 316,570 thousand to machinery and equipment, and CZK 1,260 thousand to other tangibles); the reversal of the loss has been recognized due to the expected higher performance of the cash-generating unit. As at 31 December 2024, the recoverable amount of the German bakery companies' cash-generating unit, determined on the basis of free cash flows available to shareholders, totalled CZK 3,720,907 thousand. For more information on determining the recoverable amount see Note 2.6.

The most significant part of the impairment loss reversal amounting to CZK 1,704,080 thousand recognized in 2023 was related to the decrease of the impairment of property, plant and equipment of the German bakery companies' cash-generating unit (of which CZK 1,032 thousand related land, CZK 487,469 thousand to buildings and structures, CZK 1,207,471 thousand to machinery and equipment, and CZK 8,108 thousand to other tangibles); the reversal of the loss has been recognized due to the expected higher performance of the cash-generating unit. As at 31 December 2023, the recoverable amount of the German bakery companies' cash-generating unit, determined on the basis of free cash flows available to shareholders, totalled CZK 869,554 thousand. For more information on determining the recoverable amount see Note 2.6.

## 5.2 Intangible Assets

| (In CZK thousands) | Development | Software | Valuable rights | Other intangibles | Non-refundable advances and intangibles in progress | Total |
|---|---|---|---|---|---|---|
| **Cost as at 1 January 2024** | **20,996** | **1,851,493** | **1,042,048** | **7,195,878** | **105,150** | **10,215,565** |
| Additions | - | - | - | - | 1,008,335 | 1,008,335 |
| *Of which additions generated by own activities* | - | - | - | - | *29,965* | *29,965* |
| Disposals | - | (28,408) | (18,384) | (4,383,259) | (3,515) | (4,433, 566) |
| Acquisition of subsidiaries | - | - | - | 80 | - | 80 |
| Transfers*) | - | 164,590 | 7,112 | 680,196 | (797,518) | 54,380 |
| Exchange rate gains/(losses) | - | 18,827 | 13,820 | 107,093 | 524 | 140,264 |
| **Cost as at 31 December 2024** | **20,996** | **2,006,502** | **1,044,596** | **3,599,988** | **312,976** | **6,985,058** |
| | | | | | | |
| **Accumulated amortization and impairment as at 1 January 2024** | **(19,055)** | **(1,553,302)** | **(955,612)** | **(39,876)** | **(16,944)** | **(2,584,789)** |
| Amortization (see Note 21) | (484) | (134,768) | (18,512) | (2,105) | - | (155,869) |
| Disposals | - | 28,689 | 18,384 | 6,695 | - | 53,768 |
| Acquisition of subsidiaries | - | - | - | (50) | - | (50) |
| Transfers*) | - | (39) | - | 39 | - | - |
| Reversals of impairment losses recognized in profit or loss (see Note 24) | - | 25 | - | - | 2,091 | 2,116 |
| Exchange rate gains/(losses) | - | (16,497) | (12,575) | 70 | (237) | (29,239) |
| **Accumulated amortization and impairment as at 31 December 2024** | **(19,539)** | **(1,675,892)** | **(968,315)** | **(35,227)** | **(15,090)** | **(2,714,063)** |
| | | | | | | |
| **Carrying amount, net as at 31 December 2024** | **1,457** | **330,610** | **76,281** | **3,564,761** | **297,886** | **4,270,995** |

**) Transfers include reclassifications of assets already put in use among asset classes.*

| (In CZK thousands) | Development | Software | Valuable rights | Other intangibles | Non-refundable advances and intangibles in progress | Total |
|---|---|---|---|---|---|---|
| **Cost as at 1 January 2023** | **114,898** | **1,904,488** | **1,959,196** | **2,445,091** | **161,098** | **6,584,771** |
| Additions | - | - | - | - | 1,288,052 | 1,288,052 |
| *Of which additions generated by own activities* | - | - | - | - | *10,878* | *10,878* |
| Disposals | - | (105,686) | (3,525) | (548,993) | (235) | (658,439) |
| Acquisition of subsidiaries | - | 283,444 | 456,263 | 4,929,124 | - | 5,668,831 |
| Transfers*) | - | 147,287 | 20,792 | 1,162,433 | (1,329,022) | 1,490 |
| Transfers from/to Assets classified as held for sale | (93,902) | (411,796) | (1,433,346) | (1,038,297) | (18,198) | (2,995,539) |
| Exchange rate gains/(losses) | - | 33,756 | 42,668 | 246,520 | 3,455 | 326,399 |
| **Cost as at 31 December 2023** | **20,996** | **1,851,493** | **1,042,048** | **7,195,878** | **105,150** | **10,215,565** |
| | | | | | | |
| **Accumulated amortization and impairment as at 1 January 2023** | **(112,907)** | **(1,606,505)** | **(1,372,975)** | **(752,722)** | **(17,204)** | **(3,862,313)** |
| Amortization (see Note 21) | (1,759) | (131,361) | (131,345) | (8,603) | - | (273,068) |
| Disposals | - | 101,573 | 3,197 | 20,015 | - | 124,785 |
| Acquisition of subsidiaries | - | (237,719) | (452,645) | (6,415) | - | (696,779) |
| Transfers from/to Assets classified as held for sale | 95,514 | 349,933 | 991,030 | 696,979 | - | 2,133,456 |
| Impairment losses recognized in profit or loss (see Note 24) | - | - | (28,771) | - | - | (28,771) |
| Reversals of impairment losses recognized in profit or loss (see Note 24) | 97 | - | 68,695 | 11,893 | 583 | 81,268 |
| Exchange rate gains/(losses) | - | (29,223) | (32,798) | (1,023) | (323) | (63,367) |
| **Accumulated amortization and impairment as at 31 December 2023** | **(19,055)** | **(1,553,302)** | **(955,612)** | **(39,876)** | **(16,944)** | **(2,584,789)** |
| | | | | | | |
| **Carrying amount, net as at 31 December 2023** | **1,941** | **298,191** | **86,436** | **7,156,002** | **88,206** | **7,630,776** |

**) Transfers include reclassifications of assets already put in use among asset classes.*

Valuable rights contain mainly trademarks and capitalized REACH costs.

Other intangibles contain mainly Emission rights.

As at 31 December 2024 and 2023, the Group had no intangible assets with indefinite useful lives.

*Research expenses not capitalized*

A number of Group companies, namely those engaged in the chemical and food industries, have established research and development units with equipped laboratory facilities and skilled research and development and analytical staff. These activities are viewed as a standard part of their operating activities and focus primarily on on-going product innovations and compliance with environmental objectives, in addition to improving production efficiency and product quality. Research expenses incurred by Group companies are not reported separately, with the exception of subsidiaries whose engagement in research and development is regarded by the Group as a productive activity. In 2024 and 2023, solely VUCHT a.s. qualified as a research & development subsidiary; operating expenses of VUCHT a.s., including depreciation and amortization and salaries and wages, totalled as recalculated CZK 102,497 thousand and CZK 94,441 thousand, respectively. Activities of other research and similar institutions primarily focused on research and development of chemical production performed for external customers and, accordingly, are not included in the Group's reporting of research expenses.

Outsourced research and development recognized as an expense in the 2024 and 2023 profit or loss totalled CZK 14,271 thousand and CZK 23,130 thousand, respectively.

## 5.3 Investment Property

Investment property held by the Group includes an array of properties that are individually immaterial for the Group and serve different purposes, mostly being intended for lease as office or other business premises. The fair value of investment property is reassessed on an annual basis. Current market prices are the principal source of evidence of fair value. In the absence of current market prices, alternative measurement methods are used that are based on reliable discounted cash flow projections using discount rates which reflect current market assessments of the uncertainty in the amount and timing of the cash flows and are supported by current market prices or rents for similar properties in the same location and technical condition. Investment properties held by the Group are not subject to regular assessment by independent experts. When determining the fair value, only appraisals not older than three years are considered that are made by independent experts for the investment property in question or for a similar property. The effects of fair value changes of real property, if any, on income before income taxes arising from hypothetical changes in discount rates for investments measured using the revenue approach and included in Level 3 of the fair value hierarchy is immaterial in terms of the Group.

There were no restrictions imposed on the realizability of investment property held by the Group as at 31 December 2024 and 2023, respectively. In addition, the Group had no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Considering the volume of credit lines used and the nature of Group's business, investment properties of CZK 316 thousand and of CZK 26,352 thousand served as a pledge for Group companies' loans as at 31 December 2024 and 2023.

Whether it owns or leases land, AGROFERT always manages it with respect and reverence for the landscape.

# 6 Leases

## 6.1 Group as a Lessee

The right of use asset related to non-current assets primarily includes assets arising from the right to use agricultural and other land and buildings and structures, railway carriages and sidings, other vehicles, and technologies and equipment. Lease contracts are usually concluded for a definite period or for an indefinite period with a notice of termination. Many contracts include extension or termination options that Group companies take into account when assessing a lease term. The terms and conditions of the lease may vary between lease arrangements and, in some cases, particularly with immovable property, the Group has the option to extend a lease over a period agreed in advance.

With some contracts, the Group has the option to purchase the underlying asset after the lease term expires. The lease payments included in the measurement of the lease liability comprise the exercise price of an option to purchase the underlying asset if the lessee is reasonably certain to exercise that option. The Group's lease liabilities are primarily secured by the lessor's title to the leased assets.

In 2024 and 2023, the Parent Company and other Group companies lease agricultural land, buildings of particularly administrative nature and certain movable assets from the related parties IMOBA, a.s. and Istrochem Reality, a.s. A majority of lease agreements with these related parties are set as agreements for an indefinite period with the termination notice up to one year, nevertheless we can assume with a reasonable degree of certainty, particularly with respect to immovable assets, that the agreements are of rather longer-term nature. As at 31 December 2024 and 2023, liabilities to these related parties from the lease of land, buildings and movable assets totalled CZK 338,022 thousand and CZK 460,477 housand (see Note 29), respectively.

The Group recognized the following amounts of the right of use assets as at 31 December 2024 and 2023 and related depreciation in 2024 and 2023:

| (In CZK thousands) | Remaining lease term usually does not exceed | Carrying amount, net as at 31 December 2024 | Carrying amount, net as at 31 December 2023 | Depreciation of right of use asset in 2024 | Depreciation of right of use asset in 2023 |
|---|---|---|---|---|---|
| Agricultural land | 10 years | 2,908,481 | 2,743,279 | (508,029) | (443,227) |
| Other land | 10 years | 70,459 | 97,974 | (28,864) | (27,497) |
| Buildings and structures | 10 years | 745,682 | 844,223 | (226,021) | (315,077) |
| Railway carriages and sidings | 9 years | 1,944,527 | 1,797,533 | (403,748) | (373,670) |
| Vehicles | 5 years | 850,609 | 652,660 | (277,022) | (209,772) |
| Other technologies and equipment | 6 years | 143,008 | 126,721 | (56,497) | (47,764) |
| Other | 3 years | 13,440 | 17,818 | (5,925) | (7,303) |
| **Total** | | **6,676,206** | **6,280,208** | **(1,506,106)** | **(1,424,310)** |

In 2024 and 2023, the Group recognized additions of CZK 931,650 thousand and CZK 1,252,938 thousand to right of use assets net of the effects of acquisitions of subsidiaries (see Notes 4.5 and 4.6) and without additions related to leases of land by companies involved in primary agricultural production and livestock farming). Leases of land by companies involved in primary agricultural production and livestock farming are generally stable and their balance is increasing mainly due to acquisitions of subsidiaries.

Future undiscounted cash flows from lease liabilities broken down by expected maturity are as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Less than 1 year | 1,526,566 | 1,471,554 |
| 1 – 5 years | 4,003,337 | 3,890,558 |
| More than 5 years | 2,030,498 | 1,870,155 |
| **Total** | **7,560,401** | **7,232,267** |

The structure of lease liabilities as at 31 December 2024 and 2023 is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Short-term portion (see Note 15) | 1,433,135 | 1,379,155 |
| Long-term portion (see Note 14) | 5,375,168 | 4,990,039 |
| **Total** | **6,808,303** | **6,369,194** |

The Group recognized the following amounts related to lease arrangements in the consolidated statement of profit or loss:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Depreciation of right of use assets (see Note 21) | (1,506,106) | (1,424,310) |
| Interest expense on lease liability | (188,159) | (165,375) |
| Costs of short-term leases | (307,859) | (272,395) |
| Costs of leases of low-value assets other than short-term | (66,638) | (60,768) |
| Costs of variable lease payments not included in lease liability measurement | (114,711) | (108,222) |
| Revenue from sublease of right of use assets | 12,702 | 25,785 |

The Group companies are not engaged in significant sale and leaseback transactions that meet the requirements of IFRS 15 to be recognized as sales.

## 6.2 Group as a Lessor

### *Operating lease*

As at 31 December 2024 and 2023, operating lease revenue totalled CZK 629,589 thousand and CZK 611,559 thousand, respectively.

Income from the lease of non-current assets comprise a large number, for the Group individually immaterial items and lease agreements for both, immovable and movable assets. Their duration usually varies from several days to years and include a wide range of assets. The Group's lease receivables are primarily secured by the lessor's title to the leased assets.

Future undiscounted cash flows from operating leases broken down by expected maturity in individual years following the balance sheet date are as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| 1st year | 409,771 | 425,889 |
| 2nd year | 335,231 | 331,891 |
| 3rd year | 261,466 | 293,011 |
| 4th year | 196,354 | 192,714 |
| 5th year | 167,943 | 166,180 |
| Over 5 years | 1,583,723 | 1,560,941 |
| **Total** | **2,954,488** | **2,970,626** |

For items of property, plant and equipment subject to the operating-lease arrangements, refer to Note 5.1.

### *Finance lease*

Finance lease arrangements include, in particular, the lease of land by one of the Group companies which has entered into a long-term agreement for the lease of a plot of land until 2091 with related party CS CABOT, spol. s r.o. The rent is regularly adjusted for inflation, as required by the agreement.

In 2024 and 2023, interest income from finance lease receivables of CZK 3,860 thousand and CZK 3,542 thousand, respectively, was recognized in the consolidated statement of profit or loss.

Future undiscounted cash flows from finance leases broken down by expected maturity in individual years following the balance sheet date are as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| 1st year | 4,480 | 10,224 |
| 2nd year | 4,480 | 3,975 |
| 3rd year | 4,480 | 3,975 |
| 4th year | 4,480 | 3,975 |
| 5th year | 4,480 | 3,975 |
| Over 5 years | 274,052 | 247,456 |
| **Total** | **296,452** | **273,580** |

The structure of finance lease receivables as at 31 December 2024 and 2023 is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Short-term portion (see Note 11) | 4,672 | 7,125 |
| Long-term portion (see Note 10) | 144,464 | 131,200 |
| **Total** | **149,136** | **138,325** |

The difference between undiscounted cash flows from finance lease receivable and their carrying amounts represents unrealized interest income from finance leases.

## 7 Biological Assets

Considering the volume of credit lines used and the nature of Group's business, certain non-current and current biological assets of selected subsidiaries may serve as a pledge for Group companies' loans.

### 7.1 Non-current Biological Assets

As at 31 December 2024 and 2023, the Group had the following non-current biological assets – animals:

| (in pieces) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Sows and boars | 11,389 | 12,495 |
| Dairy cattle | 16,003 | 15,637 |
| Feeder cattle | 2,677 | 2,512 |

The non-current biological assets – animals are measured at fair value less costs to sell.

Movements in the categories of non-current biological assets – animals were as follows in 2024 and 2023:

| (In CZK thousands) | Swine | Dairy cattle | Feeder cattle | Other | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **42,742** | **916,426** | **65,110** | **243** | **1,024,521** |
| Acquisition of subsidiaries | 1,205 | 14,800 | 1,208 | - | 17,213 |
| Additions | 63,718 | 221,633 | 18,767 | 18 | 304,136 |
| *Of which: by acquisition* | *4,579* | *65* | *7,476* | *18* | *12,138* |
| *by own activities* | *59,139* | *221,568* | *11,291* | - | *291,998* |
| Disposals by sale and other disposals | (2,628) | (88,934) | (4,707) | (6) | (96,275) |
| Change in fair value less costs to sell; impairment | (35,221) | (555,027) | (9,671) | (33) | (599,952) |
| Write-offs on liquidation or transfer to further processing | (18,808) | (147,228) | (11,284) | (17) | (177,337) |
| Exchange rate gains/(losses) | - | 1,099 | - | 7 | 1,106 |
| **Balance as at 31 December 2023** | **51,008** | **362,769** | **59,423** | **212** | **473,412** |
| Acquisition of subsidiaries | - | 13,437 | 2,062 | 3 | 15,502 |
| Additions | 64,373 | 241,557 | 17,299 | 26 | 323,255 |
| *Of which: by acquisition* | *9,029* | *787* | *2,578* | *26* | *12,420* |
| *by own activities* | *55,344* | *240,770* | *14,721* | - | *310,835* |
| Disposals by sale and other disposals | (3,406) | (74,476) | (6,252) | (122) | (84,256) |
| Change in fair value less costs to sell; impairment | (28,485) | 333,315 | 7,884 | (4) | 312,710 |
| Write-offs on liquidation or transfer to further processing | (27,968) | (91,566) | (11,549) | (8) | (131,091) |
| Exchange rate gains/(losses) | - | 1,186 | 4,653 | (7) | 5,832 |
| **Balance as at 31 December 2024** | **55,522** | **786,222** | **73,520** | **100** | **915,364** |

Non-current biological assets – plants with approximate value of CZK 53,546 thousand and CZK 40,879 thousand as at 31 December 2024 and 2023, respectively, comprised, in particular, hop fields, vineyards, orchards, forests and other perennial crops.

In 2024 and 2023, the Group produced 189,909 tons and 171,743 tons of milk, respectively.

## 7.2 Current Biological Assets

As at 31 December 2024 and 2023, the Group had the following current biological assets – animals:

| (in pieces) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Poultry | 3,689,460 | 3,954,008 |
| Swine | 215,871 | 222,282 |
| Dairy cattle | 16,448 | 15,822 |
| Feeder cattle | 5,945 | 4,609 |

Current biological assets – animals are measured at fair value less estimated cost to sell (see Note 2.6). For gilts (included within swine) and heifers (included within cattle) no adequate liquid markets exists and the revenues and costs related to their farming only cannot be determined with a sufficient degree of accuracy. Gilts and heifers are valued at their acquisition cost less any impairment allowances that are assumed to approximate their fair value. Long-term records of production companies confirm the acquisition cost-based valuation of gilts and heifers approximates their market value.


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The key to producing quality and safe food is a combination of traditional and state-of-the-art practices, respect for raw materials and animal welfare.

Movements in the categories of current biological assets – animals were as follows in 2024 and 2023:

| | BREEDING | | | | | CONSUMABLE | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **(In CZK thousands)** | **Poultry** | **Swine** | **Dairy cattle** | **Other** | **Total** | **Poultry** | **Swine** | **Dairy cattle** | **Feeder cattle** | **Other** | **Total** |
| **Balance as at 1 January 2023** | **55,163** | **29,707** | **264,933** | **6,721** | **356,524** | **163,656** | **350,231** | **16,675** | **120,469** | **112** | **651,143** |
| Acquisition of subsidiaries | - | 2,104 | 11,218 | 20 | **13,342** | - | 2,247 | 6,538 | 1,470 | - | **10,255** |
| Additions | 136,346 | 49,509 | 368,020 | 249 | **554,124** | 2,467,860 | 1,603,005 | 5,096 | 107,091 | 47 | **4,183,099** |
| *Of which: by acquisition* | *59,113* | - | *36,191* | *1* | ***95,305*** | - | *6,090* | *93* | *34,386* | *14* | ***40,583*** |
| *by own activities - newborn animals and weight gains* | *77,233* | *49,509* | *331,829* | *248* | ***458,819*** | *2,467,860* | *1,596,915* | *5,003* | *72,705* | *33* | ***4,142,516*** |
| Production | (10,164) | (16,814) | (110,253) | (710) | **(137,941)** | (2,473,134) | (1,512,483) | (14,619) | (110,485) | (50) | **(4,110,771)** |
| Transfers among categories and to non-current biological assets | - | (32,685) | (227,421) | 175 | **(259,931)** | - | (26,455) | 5,444 | (11,056) | - | **(32,067)** |
| Change in fair value less costs to sell; impairment | (106,223) | - | 2,618 | - | **(103,605)** | (2,813) | 87,238 | 293 | (8,013) | - | **76,705** |
| Liquidation | (17,271) | (4,657) | (5,114) | (11) | **(27,053)** | (54,535) | (51,059) | (177) | (2,579) | (40) | **(108,390)** |
| Exchange rate gains/(losses) | - | - | 957 | 150 | **1,107** | 501 | 605 | - | - | 2 | **1,108** |
| **Balance as at 31 December 2023** | **57,851** | **27,164** | **304,958** | **6,594** | **396,567** | **101,535** | **453,329** | **19,250** | **96,897** | **71** | **671,082** |
| Acquisition of subsidiaries | - | - | 8,207 | - | **8,207** | - | - | 2,611 | 242 | - | **2,853** |
| Additions | 158,485 | 56,663 | 416,807 | 273 | **632,228** | 2,172,801 | 1,665,805 | 22,977 | 145,411 | 28 | **4,007,022** |
| *Of which: by acquisition* | *67,928* | *5,561* | *47,803* | *12* | ***121,304*** | - | *20,266* | - | *46,495* | - | ***66,761*** |
| *by own activities - newborn animals and weight gains* | *90,557* | *51,102* | *369,004* | *261* | ***510,924*** | *2,172,801* | *1,645,539* | *22,977* | *98,916* | *28* | ***3,940,261*** |
| Production | (6,185) | (21,370) | (140,802) | (239) | **(168,596)** | (2,137,948) | (1,589,358) | (29,757) | (91,910) | (22) | **(3,848,995)** |
| Transfers among categories and to non-current biological assets | - | (30,570) | (247,431) | (51) | **(278,052)** | - | (26,178) | (825) | (5,780) | - | **(32,783)** |
| Change in fair value less costs to sell; impairment | (133,335) | - | 879 | - | **(132,456)** | 7,000 | (42,077) | 4,118 | 2,199 | - | **(28,760)** |
| Liquidation | (18,842) | (4,946) | (7,547) | (5) | **(31,340)** | (47,005) | (50,632) | (194) | (2,929) | - | **(100,760)** |
| Exchange rate gains/(losses) | - | - | 714 | 112 | **826** | 449 | (802) | - | 19 | (2) | **(336)** |
| **Balance as at 31 December 2024** | **57,974** | **26,941** | **335,785** | **6,684** | **427,384** | **96,832** | **410,087** | **18,180** | **144,149** | **75** | **669,323** |

In 2024 and 2023 the Group produced the following quantities of agricultural products related to breeding of current biological assets – animals:

| **(in pieces)** | **2024** | **2023** |
|---|---|---|
| Poultry meat | 40,676,941 | 41,890,274 |
| Pork | 486,234 | 467,427 |
| Beef | 15,960 | 14,756 |
| Eggs | 90,419,047 | 95,171,971 |

Current biological assets – plants include, in particular, sown areas at which cereals, oil seeds, hop and other crop are grown and also forest nurseries. In 2024 and 2023, the Group farmed on 158 thousand and 150 thousand hectares of land, respectively.

A majority of cereals and oil seeds and hop is measured at fair value less estimated costs to sell (see Note 2.6). The acquisition cost of certain marginally grown cereals approximates fair value.

Fair value of biological assets in forest nurseries cannot be reliably determined particularly as no liquid market exists. The use of alternative revenue-based methods for these immature assets is impracticable mainly as the products cannot be realized at a free market being produced for specific needs of minor region and the development in 5 independent regional cost centres operating in total on 67 ha (as at 31 December 2024) may differ significantly. At the same time, demand is volatile due to climatic changes and other events and it is impossible to reliably determine the quantity of substandard seedlings. With respect to the fact that final sales are made for market prices and considering the level of margins generated from sales and common level of product write offs of unsold assets in the nurseries, the management estimates that the cost valuation is always below market values (or even might approximate market values) and such conclusion is justified retrospectively taking into account actual results.

Movements in the categories of current biological assets – plants were as follows in 2024 and 2023:

| **(In CZK thousands)** | **Cereals** | **Oil seeds** | **Forest nurseries** | **Hop** | **Other** | **Total** |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **1,113,483** | **581,907** | **31,554** | **23,934** | **157,138** | **1,908,016** |
| Acquisition of subsidiaries | 28,568 | 11,396 | - | 11,402 | 3,311 | 54,677 |
| Additions | 1,853,127 | 889,614 | 76,331 | 169,411 | 817,096 | 3,805,579 |
| *Of which: by acquisition* | *1,486* | - | - | - | - | *1,486* |
| *by own activities – grown plants* | *1,851,641* | *889,614* | *76,331* | *169,411* | *817,096* | *3,804,093* |
| Sales of biological assets | (3,805) | (1,579) | - | - | (1,102) | (6,486) |
| Production | (1,969,263) | (923,806) | (61,278) | (175,588) | (810,006) | (3,939,941) |
| Change in fair value less costs to sell; impairment | (248,054) | (201,013) | (2,167) | - | 8,797 | (442,437) |
| Liquidation | - | - | (13,102) | - | - | (13,102) |
| Exchange rate gains/(losses) | 3,360 | 1,570 | - | - | 1,216 | 6,146 |
| **Balance as at 31 December 2023** | **777,416** | **358,089** | **31,338** | **29,159** | **176,450** | **1,372,452** |
| Acquisition of subsidiaries | 19,484 | 7,791 | - | 1,411 | 2,429 | 31,115 |
| Additions | 1,868,026 | 804,978 | 69,656 | 168,530 | 859,029 | 3,770,219 |
| *Of which: by acquisition* | *192* | *63* | - | - | - | *255* |
| *by own activities - grown plants* | *1,867,834* | *804,915* | *69,656* | *168,530* | *859,029* | *3,769,964* |
| Sales of biological assets | (4,508) | (41) | - | - | (4,863) | (9,412) |
| Production | (1,889,356) | (828,311) | (54,347) | (168,836) | (843,113) | (3,783,963) |
| Change in fair value less costs to sell; impairment | (44,602) | (8,951) | 70 | - | 27,912 | (25,571) |
| Liquidation | - | - | (9,711) | - | - | (9,711) |
| Exchange rate gains/(losses) | (877) | 1,214 | - | - | 88 | 425 |
| **Balance as at 31 December 2024** | **725,583** | **334,769** | **37,006** | **30,264** | **217,932** | **1,345,554** |

In 2024 and 2023, the Group produced the following quantities of agricultural products related to growing of current biological assets – plants:

| | Unit | 2024 | 2023 |
|---|---|---|---|
| Cereals | tons | 463,472 | 476,683 |
| Oil seeds | tons | 68,913 | 89,754 |
| Seedlings | pieces (pcs) | 14,118,069 | 16,146,620 |
| Hop | tons | 946 | 914 |

## 7.3 Fair Value of Biological Assets and Agricultural Production at the Point of Harvest

Plant commodities (oilseed rape, wheat) and animal assets in meat production (cattle, pork and poultry) are biological assets for which an active market exists or their fair value can reliably be measured. These assets are measured at fair value whereby the fair value is based on market prices of plant commodities as applicable for the European region, and takes into account budgeted costs of asset transformation. Agricultural products relating to harvests are measured at fair values less estimated costs to sell that were determined at the point of harvest and are not further remeasured.

If an active market does not exist for the assets, the Group uses one or more relevant indicators derived from market prices and sector standard values for fair value calculation.

## 7.4 Fair Value Hierarchy for Biological Assets

Fair values of biological assets are determined using Level 3 as it is based on techniques for which all inputs which have a significant effect on the recorded fair value are derived, either directly or indirectly, from inputs observable on active markets. However, also unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about the risk inherent in the given activity, whereas the exit price at the measurement date is set from the perspective of a market participant holding the respective biological asset. Fair values are determined using models that include estimated selling prices net of delivery costs. Additional valuation model inputs include estimated costs of livestock breeding or plant production until the point of harvest and expected production volumes.

Estimated costs of livestock breeding or plant production are based on Group companies estimates reflecting the accounting treatment of transactions effected under market conditions, and calculations that are based on market prices and their expected fluctuations over the breeding or production period.

Primary budgetary bases for the estimated costs are represented mainly by the cultivated area and its quality, sowing plans, numbers of animal biological assets and their likely aggregation into groups and herds, costs of salaries and wages and the number of employees involved in agricultural primary production and the like. The budgeted items include in particular the estimated input costs of compound feed (based on the estimated conversion of feed, fattening period and feed types derived from the specific requirements of the asset), seed, field cultivation work and other direct and indirect costs, such as utilities, stabling or farm machinery, transportation, etc. Group companies engaged in agricultural primary production are exposed to a wide range of activities as well as conditions under which they operate (see Note 2.6). Due to the high variability of conditions encountered by the individual companies involved in agricultural primary production, there may be a large dispersion in the input values for calculating the estimated costs of livestock breeding or plant production. These conditions significantly impact the determination of the valuation model parameters, especially with regard to possible synergies of livestock farming and plant production, the distinctively different productivity of individual farms or the differences in the margins achieved in individual regions.

In 2024 and 2023, no significant changes occurred neither in the management of the companies nor in the concept of determining unobservable inputs for companies engaged in agricultural primary production. As at 31 December 2024 and 2023, the Group included 101 and 92 companies from the Czechia, Slovakia and Hungary, respectively involved primarily in diverse production of biological assets in different regions of the said countries. The ranges of primary budgetary bases relevant for these agricultural primary production companies as at 31 December 2024 and 2023 were as follows:

| (Data for one company) | 2024 | 2023 |
|---|---|---|
| Farmed area in hectares (ha) | 10 – 5,847 ha | 11 – 5,941 ha |
| Cultivated area for plant production companies | 120 – 5,847 ha | 120 – 5,941 ha |
| Dairy cattle (incl. calves and heifers) | 375 – 2,272 ks | 379 – 2,269 pcs |
| Feeder cattle (incl. calves and heifers) | 1 – 1,001 ks | 67 - 922 pcs |
| Fattening pigs | 24 – 42,985 ks | 81 – 41,662 pcs |
| Employees (excluding the forest nurseries staff) | 1 – 155 employees | 1 – 167 employees |

The input data for models is compared to actual revenue and expense indicators and regularly adjusted if a better method of determining parameters, sources of information or budgetary basis is identified.

Estimated selling prices are based on market prices. For biological assets - plants, these mainly include MATIF market prices of wheat and oilseed rape quoted on Euronext, which reflect the average price of futures at the date of expected harvest.

For biological assets - animals, these mainly include beef and pork prices published by the State Agricultural Intervention Fund, milk prices published by the Ministry of Agriculture of the Czech Republic, piglet prices published by SPF-Danmark, and poultry and egg prices determined by the AGROFERT Group based on statistic surveys. In all cases, the prices applied reflect current prices as at the balance sheet date and are derived from large transaction volumes with the commodity.

### 7.5 Biological Assets the Fair Value of which Cannot Be Measured Reliably

If, on initial recognition, the fair value of a biological asset cannot be measured reliably because market-determined prices are not available or alternative estimates of fair value are determined to be clearly unreliable, the biological assets are measured at their cost less any impairment losses that the management assumes to be always below or close to market value (see Note 7.2). Such assumptions are retrospectively justified taking into account actual development.

## 8 Inventories

Considering their nature all Group's inventories are current assets as at the balance sheet date and the Group estimates to use them within one year. The structure of inventories of the Group, which are not biological assets, was as follows as at the balance sheet date:

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---:|---:|
| Materials and raw materials | 7,266,807 | 8,037,695 |
| Spare parts | 2,801,198 | 2,602,381 |
| Work in progress and semi-finished production | 3,373,205 | 3,570,069 |
| Products and goods | 24,486,646 | 28,998,274 |
| *Of which: biological assets production – plants* | *1,020,132* | *1,385,975* |
| *biological assets production – animals* | *18,242* | *17,126* |
| **Total** | **37,927,856** | **43,208,419** |

Excess, obsolete and slow moving inventory has been written down to its estimated net realizable value by an allowance account. In 2024, the Group recognized a net decrease in the total amount of CZK 549,798 thousand in the allowance account (2023: decrease by CZK 1,761,001 thousand).

Considering the volume of credit lines used and the nature of Group's business some inventories of certain Group companies serve as a pledge for Group companies' loans.

Cost of goods sold, consumed materials and change in production inventories:

| **(In CZK thousands)** | **2024** | **2023** |
|---|---:|---:|
| Material consumed in production; consumption of spare parts, other materials and cost of goods sold: | (118,260,357) | (123,999,060) |
| Cost of materials sold | (727,816) | (439,562) |
| Materials and goods capitalized | 459,737 | 431,749 |
| Changes in production inventories and allowances against inventory | (1,195,382) | (1,923,348) |

## 9 Assets and Associated Liabilities Classified as Held for Sale

As at 31 December 2024, assets classified as held for sale comprised, in particular, non-current assets held for sale related to food industry and the associate NEOCHIM AD, which is owned by the holding company Feboran EOOD.

Assets and associated liabilities classified as held for sale as at 31 December 2023 comprised, in particular, assets and liabilities of companies from the groups Synthesia, a.s., MAFRA, a.s. and LONDA spol. s r. o. and non-current tangible assets held for sale mainly related to food industry.

The companies from the Synthesia, a.s., MAFRA, a.s. and LONDA spol. s r.o. groups were sold on 1 February 2024. The line Gain (+) / loss (-) from sale of subsidiaries, joint ventures and associates in the consolidated statement of profit or loss for the year ended 31 December 2024 comprised, in particular, gain on the sale of these companies.

Part of the assets classified as held for sale was pledged as security to cover liabilities to banks as at 31 December 2023.

The assets classified as held for sale and associated liabilities are as follows:

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---:|---:|
| Property, plant and equipment | 35,027 | 3,745,190 |
| Right of use asset | - | 409,448 |
| Goodwill (see Note 2.6) | - | 1,106,233 |
| Intangible assets | 1 | 862,084 |
| Investment property | - | 58,818 |
| Deferred tax asset | 4,095 | 117,437 |
| Long-term financial assets | - | 42,045 |
| Long-term receivables | - | 14,415 |
| Investments in associates and joint ventures | 136,857 | - |
| Inventories | - | 1,874,818 |
| Short-term financial assets | - | 11,384 |
| Trade and other receivables | - | 1,748,751 |
| Income tax receivable | - | 4,899 |
| Cash and cash equivalents (see Note 12) | - | 1,112,142 |
| **Assets classified as held for sale** | **175,980** | **11,107,664** |
| Long-term bank and other loans and borrowings | - | 55,276 |
| Long-term lease liability | - | 340,374 |
| Trade and other long-term liabilities | - | 8,590 |
| Deferred tax liability | - | 112,015 |
| Long-term provisions (see Note 19) | - | 223,250 |
| Short-term bank and other loans and borrowings | - | 316,430 |
| Short-term lease liability | - | 89,271 |
| Trade and other current liabilities | - | 2,381,936 |
| Income tax payable | - | 86,297 |
| Current provisions (see Note 19) | - | 313,581 |
| **Liabilities associated with assets classified as held for sale** | **-** | **3,927,020** |

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---:|---:|
| Related non-controlling interests | - | 5,979 |
| Related transaltion differences | - | 10,606 |
| Related cash flow hedge reserve net of deferred tax | - | 7,580 |
| Related effect of elimination of receivables and liabilities against the Group | - | 15,622 |
| **Total** | **-** | **39,787** |

## 10 Long-term Receivables and Financial Assets

The structure of Group's long-term receivables and financial assets as at the balance sheet date is as follows:

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---|---|
| Equity securities and financial assets in progress | 197,221 | 267,637 |
| Long-term loans and borrowings | 26,009 | 1,865 |
| Receivables from derivatives | 2,445 | 7,550 |
| **Long-term financial assets** | **225,675** | **277 052** |
| Trade receivables | 37,638 | 41,483 |
| Finance lease receivables (see Note 6.2) | 144,464 | 131,200 |
| Other financial receivables | 208,434 | 903,772 |
| **Total** | **616,211** | **1,353,507** |

As at 31 December 2023, the item Other financial receivables mainly include the deferred settlement of part of the purchase price from the acquisition of the LAT Nitrogen companies.

## 11 Short-term Financial Assets and Trade and Other Receivables

The structure of Group's short-term financial assets and receivables as at the balance sheet date is as follows:

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---|---|
| Financial assets in progress and short-term loans and borrowings | 820,618 | 61,950 |
| Receivables from derivatives | 20,489 | 116,346 |
| **Short-term financial assets** | **841,107** | **178,296** |
| Trade receivables | 20,900,877 | 20,329,598 |
| Finance lease receivables (see Note 6.2) | 4,672 | 7,125 |
| Other financial receivables | 2,841,015 | 1,581,249 |
| Receivables from employees; tax and other receivables | 3,321,829 | 3,482,161 |
| **Total** | **27,909,490** | **25,578,429** |

As at 31 December 2024, the line Other financial receivables mainly include the receivable of the company AGROFERT, a.s. arising from the sale of MAFRA, a.s. and LONDA spol. s r. o. This receivable is secured by a pledge of shares in MAFRA, a.s.

In relation to the volume of withdrawals from agreed credit limits and the nature of business, some receivables, particularly trade receivables of certain Group companies, are used as a pledge for the Group's loans.

Allowances against outstanding receivables are established. Changes in allowances against receivables are, similarly as the write-off and income from written off receivables, net, recognized within Losses (-) and reversals of losses (+) on impairment of financial assets, net.

Changes in allowances against trade receivables in 2024 and 2023 were as follows:

| **(In CZK thousands)** | **2024** | **2023** |
|---|---|---|
| **Allowances as at 1 January** | **(1,271,905)** | **(1,523,457)** |
| Acquisition of subsidiaries | - | (153,177) |
| Exchange differences | (7,663) | 12,465 |
| Creation/(reversal) | 77,037 | 261,397 |
| Transfers to Assets classified as held for sale | - | 129,094 |
| Other | (1,080) | 1,773 |
| **Allowances as at 31 December** | **(1,203,611)** | **(1,271,905)** |

Other classes of trade and other receivables are not impaired except for historical other financial receivables that are fully provided for. The Group established 100% allowances against the receivables related to historical transactions under administrative proceedings with respect to the businesses that terminated their activities or are subject to litigation lasting for more than five years.

Receivables include receivables, net, against which the Group has established allowances using a simplified approach to determining the allowance amount (see Notes 2.15 and 18.2.3). The ageing structure of short-term trade receivables, net as at the balance sheet date is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Not past due | 17,916,807 | 16,621,921 |
| Less than 3 months overdue | 2,696,450 | 3,263,307 |
| Overdue between 3 months to 1 year | 231,392 | 370,829 |
| Overdue between 1 year to 5 years | 56,228 | 73,541 |
| **Total short-term trade receivables** | **20,900,877** | **20,329,598** |

## 12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and at bank. Structure of the Group's cash as at the balance sheet date was as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash | 7,269,506 | 6,512,717 |
| *Of which: cash in hand* | *43,220* | *45,457* |
| *current bank accounts* | *7,226,286* | *6,467,260* |
| Short-term bank deposits | 1,043,718 | 2,824,248 |
| Other cash and cash equivalents | - | 92 |
| **Total cash and cash equivalents** | **8,313,224** | **9,337,057** |

The Group companies have deposited a part of cash at specific accounts determined for withdrawals of statutory provisions for non-current asset repairs, performance on grounds of lease agreements and similar performance. The Group considers these financial assets to be cash.

No restricted cash is recognized as at 31 December 2024 and 31 December 2023.

Cash at bank earns variable interest based on daily bank deposit rates. Short-term bank deposits mature between one day and three months depending on the Group's immediate need of funds and bear interest equal to usual short-term deposit rates.

The Group uses between subsidiaries cash pool systems on a regular basis and contractual arrangements for joint credit limits for operating and capital transactions. As at the balance sheet date the credit limits were not used in full and they are subject to no specific restrictions.

For the purpose of the consolidated statement of cash-flow, cash and cash equivalents comprise the following as at balance sheet date:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash and cash equivalents as a separate line in the consolidated balance sheet | 8,313,224 | 9,337,057 |
| Cash and cash equivalents attributable to Assets classified as held for sale (see Note 9) | - | 1,112,142 |
| **Total** | **8,313,224** | **10,449,199** |

## 13 Equity

| Approved and issued share: | | 31 December 2024 and 2023 |
|---|---|---|
| Shares of AGROFERT, a.s., in certificated form,<br>each having a par value of CZK 1,000 thousand, fully paid | 628 units | CZK 628,000 thousand |

A dividend from the parent company was approved and paid in the amount of CZK 7,000 thousand before tax in 2024; no dividend was paid in 2023.

## 13.1 Capital Management

The primary objective of the Group's capital management is not only to maintain healthy capital ratios in order to support its business and maximize value for shareholders but also to ensure that the Group companies will be able to continue as a going concern. The Group is not subject to external capital requirements except for local statutory requirements, if any, to maintain a minimum level of funds associated with employees or other subjects the volume of which is insignificant for the Group considering its capital structure. The Group management regularly assess capital expenditures and risks associated with capital components.

The overall Group's capital management strategy remains unchanged in a long term and the Group's capital structure comprises net debt (borrowings offset against cash in hand and at bank) and the Group's equity (comprising share capital, funds, retained earnings and non-controlling interests). The indicators are monitored not only on the basis of consolidated information but also at the level of business segments and regions taking into consideration local specific features and possible vertical integration of business segments; their monitoring is primarily set in accordance with IFRS (on an semi-annual basis) and local statutory reporting (on a monthly basis). In addition, the Group monitors capital structure using the indicator of net debt / EBITDA with the aim to keep the indicator below the threshold regularly assessed for the business segments and regions, where EBITDA consists of income before income taxes, financial expenses and income (including interest and exchange rate differences) plus depreciation and amortization, plus impairment of goodwill and changes in operating impairment allowances and provisions.

The terms for Group's bank loans are tied to both individual indicators of the subsidiaries that use the bank loans and consolidated data. The Group also adjusts the structure of bank loans from the viewpoint of the type of loan, currency and maturity, their purpose and estimated cash flows for their repayment in order to minimize external capital costs and, at the same time (in line with its expectations of future development) to maximally limit possible risks resulting from exchange rate variances and interest rates. The Group also optimizes the use of external debt by utilizing cash pool mechanisms balancing temporary imbalance in the need of external financing and excessive cash, if any. With respect to long-term collaboration with a number of leading banks in all countries in which the Group operates it has secured sufficient reserves of free credit lines to fund its ordinary operations as well as any planned or unexpected future capital needs.

## 14 Long-term Liabilities from Bank and Other Loans, Borrowings, Leases and Other Long-term Liabilities

The structure of Group's long-term financing and long-term liabilities as at the balance sheet date is as follows:

| **(In CZK thousands)** | **31 December 2024** | **31 December 2023** |
|---|---|---|
| Long-term bank and other loans | 10,731,187 | 16,500,436 |
| Other sources of financing | 920,676 | 1,130,795 |
| Lease liability (see Note 6.1) | 5,375,168 | 4,990,039 |
| **Long-term liabilities from bank and other loans, borrowings and leases** | **17,027,031** | **22,621,270** |
| Long-term trade payables and payables from advances and options | 109,420 | 975,552 |
| Other financial liabilities | 7,854 | 4,478 |
| **Total long-term financial liabilities** | **17,144,305** | **23,601,300** |
| Payables to employees | 1,616,687 | 1,625,435 |
| Other long-term liabilities | 98,859 | 106,231 |
| **Total** | **18,859,851** | **25,332,966** |

The line Other sources of financing as at 31 December 2024 and 2023 includes primarily the non-current portion of the liability for the financing of property, plant and equipment through sale and leaseback that do not meet the requirements of IFRS 15 to be recognized as a sale.

As at 31 December 2023, the item Long-term trade payables and payables from advances and options mainly included the liability from the deferred payment of part of the purchase price from the acquisition of the LAT Nitrogen companies.

No specific contractual terms are tied to long-term liabilities with the exception of loans (see Note 16) the failure to meet could lead to premature payment demand or any other change of parameters of this long-term funding.


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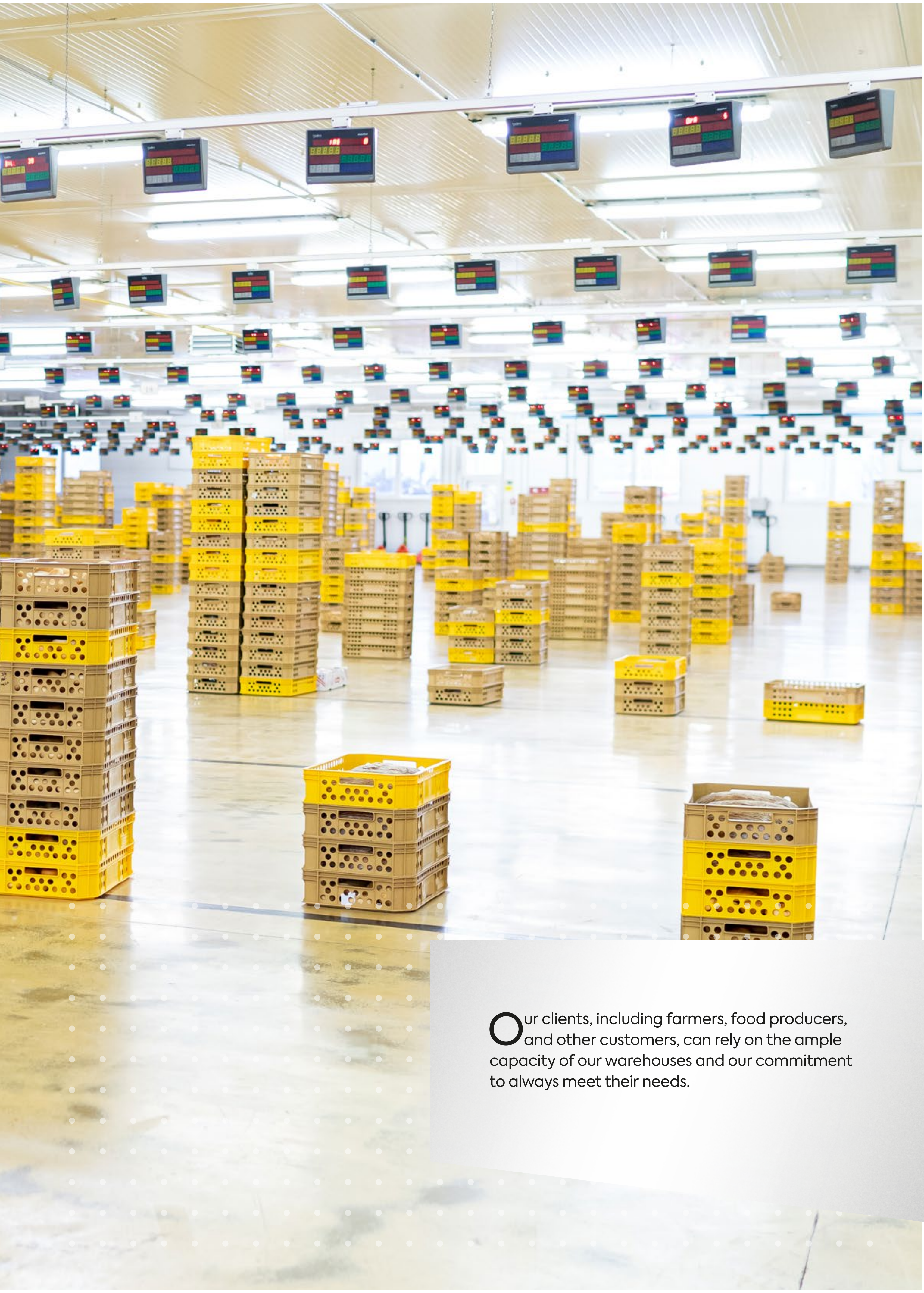

Our clients, including farmers, food producers, and other customers, can rely on the ample capacity of our warehouses and our commitment to always meet their needs.

## 15 Short-term Liabilities from Bank and Other Loans, Borrowings, Leases and Other Short-term Liabilities

The structure of Group's short-term financing and short-term liabilities as at the balance sheet date is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Short-term bank and other loans | 28,891,530 | 30,564,592 |
| Issued bonds and other sources of financing | 3,116,511 | 4,203,851 |
| Lease liability (see Note 6.1) | 1,433,135 | 1,379,155 |
| **Short-term liabilities from bank and other loans, borrowings and leases** | **33,441,176** | **36,147,598** |
| Short-term trade payables, contract liabilities (see Note 20.1) and payables from options | 21,309,163 | 24,689,986 |
| Other financial liabilities | 6,188 | 18,398 |
| **Total short-term financial liabilities** | **54,756,527** | **60,855,982** |
| Payables to employees, tax and other payables | 2,786,491 | 2,684,111 |
| Tax and other short-term liabilities | 1,639,416 | 1,734,095 |
| **Total** | **59,182,434** | **65,274,188** |

The line Other sources of financing as at 31 December 2024 and 2023 comprised primarily loans from related parties (from the Group company SynBiol, a.s. and from the Controlling shareholder), see Note 29, and the current portion of the liability for the financing of property, plant and equipment through sale and leaseback that do not meet the requirements of IFRS 15 to be recognized as a sale.

## 16 Bank and Other Loans

The structure of Group's bank and other loans as at the balance sheet date is as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Long-term bank and other loans | 10,731,187 | 16,500,436 |
| Short-term bank and other loans | 28,891,530 | 30,564,592 |
| **Total bank and other loans** | **39,622,717** | **47,065,028** |

Banks and other institutions providing loans to Group companies as at 31 December 2024 and 2023 can be analyzed according to loan withdrawals as follows:

| Financial institution | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | In CZK thousands | % | In CZK thousands | % |
| Komerční banka, a.s. | 6,776,198 | 17.10 | 9,278,005 | 19.71 |
| Česká spořitelna, a.s. | 2,885,311 | 7.28 | 3,682,444 | 7.82 |
| Tatra banka, a.s. | 2,636,810 | 6.65 | 2,461,461 | 5.23 |
| Raiffeisenbank a.s. | 2,556,946 | 6.45 | 2,815,802 | 5.98 |
| UniCredit Bank Czech Republic and Slovakia, a.s. | 1,868,461 | 4.72 | 3,964,745 | 8.42 |
| MKB Bank Nyrt. | 1,678,088 | 4.24 | 1,731,887 | 3.68 |
| Československá obchodní banka, a. s. | 1,601,124 | 4.04 | 1,307,699 | 2.78 |
| Všeobecná úverová banka, a.s. | 1,600,968 | 4.04 | 1,527,439 | 3.25 |
| Všeobecná úverová banka, a.s., pobočka Praha | 1,595,048 | 4.03 | 3,368,466 | 7.16 |
| Slovenská sporiteľňa, a.s. | 1,472,499 | 3.72 | 1,111,545 | 2.36 |
| COMMERZBANK Aktiengesellschaft | 1,448,138 | 3.65 | 1,421,688 | 3.02 |
| COMMERZBANK Aktiengesellschaft, pobočka Praha | 1,341,443 | 3.39 | 1,513,058 | 3.22 |
| UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky | 1,035,555 | 2.61 | 1,413,214 | 3.00 |
| Citibank Europe plc. | 1,018,473 | 2.57 | | |
| Norddeutsche Landesbank - Girozentrale | 961,302 | 2.43 | 883,177 | 1.88 |
| IKB Deutsche Industriebank AG | 826,214 | 2.09 | 1,096,032 | 2.33 |
| Raiffeisen Bank Zrt. | 820,708 | 2.07 | 1,093,980 | 2.32 |
| Citibank Europe plc, Germany Branch | 793,328 | 2.00 | 778,838 | 1.65 |
| Citibank Europe plc, organizační složka | 615,939 | 1.55 | 628,346 | 1.34 |
| Československá obchodná banka, a.s. | 579,563 | 1.46 | 735,512 | 1.56 |
| Erste Bank Hungary Zrt. | 571,841 | 1.44 | 1,313,756 | 2.79 |
| Bank of China Prague Branch | 503,700 | 1.27 | - | - |

| Financial institution | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | In CZK thousands | % | In CZK thousands | % |
| MONETA Money Bank, a.s. | 386,564 | 0.98 | 310,210 | 0.66 |
| Komerční banka, a.s., pobočka zahraničnej banky | 382,751 | 0.97 | 718,243 | 1.53 |
| OTP Bank Nyrt. | 379,815 | 0.96 | 440,985 | 0.94 |
| PKO BP S.A., Czech Branch | 377,775 | 0.95 | - | - |
| K and H Bank Zrt. | 357,232 | 0.90 | 176,338 | 0.37 |
| HVB Bank | 319,299 | 0.81 | 309,797 | 0.66 |
| Bank of Taiwan London Branch | 254,688 | 0.64 | 250,658 | 0.53 |
| Erste Group Bank AG | 250,238 | 0.63 | 661,641 | 1.41 |
| CIB BANK LTD. | 248,146 | 0.63 | - | - |
| Citibank Europe plc Magyarországi Fióktelepe | 230,446 | 0.58 | 715,020 | 1.52 |
| Ostatní | 1,248,106*) | 3.15 | 1,355,042 | 2.88 |
| **Total bank and other loans** | **39,622,717** | **100.00** | **47,065,028** | **100.00** |

**) The loan amount per a financial institution is less than CZK 200,000 thousand.*

In addition to standard administrative arrangements and guarantees certain contractual financial general terms and conditions apply to the loans; they are linked to profit or loss, indebtedness level, debt service coverage ratio or other financial and ratio indicators set in compliance with the respective accounting methods that may differ from IFRS. Contractual financial terms of drawdown are included in approximately more than half of the carrying amount of bank and other loans and are usually evaluated on a quarterly, semi-annual or annual basis. Any breach of these contract terms and conditions could lead to the requirement of premature repayment of loans. If a Group company does not meet the loan covenants and the bank's consent with the breach is not available as at the balance sheet date the loan maturity is adjusted and the corresponding part of the loan for which the terms have been breached and may be demanded by the bank as due, is re-classified to short-term. Certain Group companies did not meet certain loan covenants and, as at 31 December 2024, did not receive the creditor's consent to the exemption from the covenants, namely for loans in the total amount of CZK 2,875,824 thousand. These were mainly loans taken by NT Kft., Duslo, a.s., Vodňanská drůbež, a.s., Agropodnik a.s. Trnava, TOP HOP spol. s r.o., ZZN Polabí, a.s., ZZN Pelhřimov a.s. and Polnohospodárské družstvo Okoč-Sokolec. As of 31 December 2024 these loans were reported within short-term bank and other loans. After the balance sheet date, certain Group companies were granted an exemption from the fulfilment of financial indicators on loans in the total amount of CZK 1,910,950 thousand.

Approximately one fifth of long-term loans in 2024 and one quarter in 2023 bear a fixed rate, whilst short-term loans bear usually a floating interest rate linked to inter-bank offered rates (PRIBOR and EURIBOR, or LIBOR, EONIA, BUBOR or WIBOR) plus a margin corresponding to market conditions.

Regardless of whether financing was short-term or long-term the floating annual interest rate for a vast majority of loans was within the following ranges:

**2024**

| Currency | Rate | Margin range (%) |
|---|---|---|
| CZK | PRIBOR | 0.40 – 1.99 |
| EUR | EONIA | 0.70 – 0.85 |
| | EURIBOR | 0.30 – 1.85 |
| | LIBOR | 0.70 – 0.90 |
| | €STR | 0.55 – 1.16 |
| HUF | BUBOR | 0.65 – 0.95 |
| PLN | WIBOR | 1.30 |

**2023**

| Currency | Rate | Margin range (%) |
|---|---|---|
| CZK | PRIBOR | 0.32 – 1.65 |
| EUR | EONIA | 0.70 – 0.85 |
| | EURIBOR | 0.35 – 2.00 |
| | LIBOR | 0.75 – 0.90 |
| | €STR | 0.50 – 1.33 |
| HUF | BUBOR | 0.65 – 0.95 |
| PLN | WIBOR | 1.30 |

In 2024, the fixed interest rate for a majority of loans varied between 0.79 and 6.00 % p.a. (in 2023 between 0.85 and 6.00% p.a.).

As at 31 December 2024 and 2023, the bank loans were drawn in the following currencies:

| Currency (In thousands) | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | **Foreign currency** | **CZK** | **Foreign currency** | **CZK** |
| EUR | 1,009,750 | 25,430,551 | 1,335,738 | 33,026,131 |
| CZK | 11,122,758 | 11,122,758 | 10,077,892 | 10,077,892 |
| HUF | 48,955,651 | 2,994,066 | 60,423,490 | 3,900,336 |
| PLN | 12,527 | 73,784 | 7,757 | 44,167 |
| RON | 308 | 1,558 | 3,321 | 16,502 |
| **Total** | | **39,622,717** | | **47,065,028** |

## 17 Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. The fair value of financial instruments traded in active markets is based on quoted market prices valid as at the balance sheet date. The fair values of instruments, which are not traded in active markets, are determined using the valuation techniques based on market prices adjusted for estimated costs to transform or sell an asset, values determined based on the discounted cash flow models, market multiples or option pricing models, etc.

### 17.1 Methods and Assumptions

The Group uses the following methods and assumptions to estimate the fair value of each class of financial instruments:

*Cash and cash equivalents, short-term investments*

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

*Short-term securities*

The fair value of short-term securities reflects their estimated profitability.

*Provided long-term loans, borrowings and receivables*

The carrying amount of long-term loans, borrowings and receivables approximates fair value of these financial instruments.

*Equity securities*

The fair value of equity securities reflects their estimated profitability.

*Short-term receivables and payables*

The carrying amount of receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

*Short-term loans and other sources of funding*

The carrying amount approximates fair value because of the short period to maturity of those instruments.

*Long-term bank loans, borrowings, other sources of funding and payables*

The fair value of long-term loans and payables is based on the market price for the same or similar debts or on the current interest rates available for debt with the same maturity profile. The carrying amount of long-term loans and payables with variable interest rates approximates their fair values. For long-term loans and payables with fixed interest rate the fair value is determined based on discounted expected future cash flows using the market information on the structure of common interest rates, through coupon and zero-coupon bonds or swap rates considering the respective risk premium.

*Derivatives*

The fair value of derivatives and commodity contracts treated under IFRS 9 is based upon mark to market valuations. As at 31 December 2024 and 2023, the derivatives were revalued at fair value by the Group companies, with the positive and negative fair values of derivatives being included in receivables and payables, respectively.

## 17.2 Reconciliation of the Carrying and Fair Values

Carrying and measured fair values of financial instruments as at 31 December 2024 and 2023:

| | | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|---|
| **(In CZK thousands)** | **Category** | **Carrying amount** | **Fair value** | **Carrying amount** | **Fair value** |
| **Assets** | | | | | |
| Non-current assets | | | | | |
| Equity securities | FVPL | 197,221 | 197,221 | 267,637 | 267,637 |
| Long-term loans and borrowings | AC | 26,009 | 26,009 | 1,865 | 1,865 |
| Long-term receivables | AC | 390,536 | 390,536 | 1,076,455 | 1,076,455 |
| Current assets | | | | | |
| Short-term receivables | AC | 23,746,565 | 23,746,565 | 21,917,972 | 21,917,972 |
| Cash and cash equivalents | AC | 8,313,224 | 8,313,224 | 9,337,057 | 9,337,057 |
| Debt securities | FVPL | - | - | - | - |
| Financial assets in progress and short-term loans and borrowings | AC | 820,618 | 820,618 | 61,950 | 61,950 |
| **Liabilities** | | | | | |
| Long-term liabilities | | | | | |
| Long-term bank and other loans and borrowings | AC | 11,651,863 | 11,619,462 | 17,631,231 | 17,590,670 |
| Long-term trade payables and payables from advances and options | AC | 109,420 | 109,420 | 975,552 | 975,552 |
| Current liabilities | | | | | |
| Short-term bank and other loans and borrowings | AC | 32,008,041 | 32,008,041 | 34,768,443 | 34,768,443 |
| Short-term trade payables, contract liabilities and payables from options | AC | 21,309,163 | 21,309,163 | 24,689,986 | 24,689,986 |
| **Derivatives** | | | | | |
| Cash flow hedges | | | | | |
| Short-term receivables | HFT | 2,716 | 2,716 | 82,586 | 82,586 |
| Long-term receivables | HFT | - | - | - | - |
| Short-term liabilities | HFT | 2,247 | 2,247 | 16,011 | 16,011 |
| Long-term liabilities | HFT | 2,256 | 2,256 | 991 | 991 |
| Other derivatives | | | | | |
| Short-term receivables | HFT | 17,773 | 17,773 | 33,760 | 33,760 |
| Long-term receivables | HFT | 2,445 | 2,445 | 7,550 | 7,550 |
| Short-term liabilities | HFT | 3,942 | 3,942 | 2,387 | 2,387 |
| Long-term liabilities | HFT | 5,598 | 5,598 | 3,487 | 3,487 |

*Abbreviations used:*

FVPL Financial instruments measured at fair value through profit or loss
HFT Held-for-trading or hedging instruments
AC Financial instruments carried at amortized cost

## 17.3 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable market data, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on recurring basis, the Group re-asses the categorization in the fair value hierarchy (from the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period to determine whether transfers between levels have occurred.

There were no transfers between the levels in 2024 and 2023.

Tables below summarize the fair value hierarchy for Group´s assets and liabilities measured at fair value.

### *17.3.1 Fair Value Hierarchy of Financial Instruments as at 31 December 2024*

Financial assets at fair value:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Equity securities | FVPL | 197,221 | - | - | 197,221 |
| Cash flow hedges | | | | | |
| Short-term receivables | HFT | 2,716 | - | 2,716 | - |
| Long-term receivables | HFT | - | - | - | - |
| Other derivatives | | | | | |
| Short-term receivables | HFT | 17,773 | - | 17,773 | - |
| Long-term receivables | HFT | 2,445 | - | 2,445 | - |

Financial liabilities at fair value:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Cash flow hedges | | | | | |
| Short-term liabilities | HFT | 2,247 | - | 2,247 | - |
| Long-term liabilities | HFT | 2,256 | - | 2,256 | - |
| Other derivatives | | | | | |
| Short-term liabilities | HFT | 3,942 | - | 3,942 | - |
| Long-term liabilities | HFT | 5,598 | - | 5,598 | - |

Assets and liabilities for which fair values are disclosed:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Long-term bank and other loans and borrowings | AC | 11,619,462 | - | 11,619,462 | - |

### *17.3.2 Fair Value Hierarchy of Financial Instruments as at 31 December 2023*

Financial assets at fair value:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Equity securities | FVPL | 267,637 | - | - | 267,637 |
| Cash flow hedges | | | | | |
| Short-term receivables | HFT | 82,586 | - | 82,586 | - |
| Long-term receivables | HFT | - | - | - | - |
| Other derivatives | | | | | |
| Short-term receivables | HFT | 33,760 | - | 33,760 | - |
| Long-term receivables | HFT | 7,550 | - | 7,550 | - |

Financial liabilities at fair value:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Cash flow hedges | | | | | |
| Short-term liabilities | HFT | 16,011 | - | 16,011 | - |
| Long-term liabilities | HFT | 991 | - | 991 | - |
| Other derivatives | | | | | |
| Short-term liabilities | HFT | 2,387 | - | 2,387 | - |
| Long-term liabilities | HFT | 3,487 | - | 3,487 | - |

Assets and liabilities for which fair values are disclosed:

| (In CZK thousands) | | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Long-term bank and other loans and borrowings | AC | 17,590,670 | - | 17,590,670 | - |

# 18 Financial Risk Management

## 18.1 Approach to Financial Risk Management and Group Organization

The Board of Directors of the Group's parent company has the overall responsibility for setting the Group's financial risk management strategy and organizational framework, as well as for overseeing that it is being adhered to through an integrated management system, with the aim of achieving only an acceptable variation between the actual and the projected developments in the given area.

The organization of financial risk management includes the definition of risks based on the risk level and detectability; definition of departments/companies of the Group for which the area is applicable; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits. It is based on a general “Risk analysis” policy for Group risk management that aims to identify the risk sources for individual Group companies' processes, to assess possible threats and evaluate the risks identified, and to introduce appropriate measures in order to eliminate or reduce them. Any standard operational decisions related to practical implementation of the above organizational framework in the Group companies fall within the competence of individual companies' management with respect to the relevant binding regulations of AGROFERT, a.s. The oversight is exercised through regular reporting and – in the context of the management of individual industries in which the Group operates, i.e. in consideration of possibly differing financial risks – by means of identifying the risks associated with the Group's processes along with proposed appropriate measures, including feedback or control of compliance with respective policies and limits. In addition to the management of individual Group companies, the parent company's management, internal audit, crisis team, credit committee as well as other committees are actively involved in the oversight process and assessment of conclusions.

As part of the financial risk management, market and commodity risks, interest rate risk, currency risks, credit risks and liquidity risk are managed within the Group, aside from relevant rules and policies, including model forms, system controls, etc. being set at this level.

Certain receivables of the Group are secured by the right of pledge over non-current and current assets of the debtors. Liabilities including bank loans and financing of the acquisition of non-current assets are mainly secured by combined methods, covered primarily by the right of pledge over non-current assets, receivables, inventory, and also over investment property and by third party guarantees, blank bills or representation of the parent company or any other Group company; liabilities to the customs authorities are standardly secured by bank guarantees.

## 18.2 Qualitative and Quantitative Description of Risks Associated with Financial Instruments

### *18.2.1 Commodity and Market Risks*

Changes in the prices of agricultural commodities, natural gas, coal or ilmenite along with the products made of these commodities, as well as the development of energy supplies or emission allowances prices represent a fundamental risk factor of the Group's value. The current system of commodity risk management always focuses on specific business sectors and is managed by the Group's executives responsible for these sectors. Significant elements of commodity risk management include diversification of suppliers, provision of timely information on any changes in futures prices from appropriate sources, optimization of buying and selling positions of individual commodities through short-term and medium--term hedge, or effective management of the emission allowances amount. Part of commodity and market risk management is also the vertical integration of business activities that allows for both inputs and outputs to be made using natural hedging without any additional risks associated with fluctuations in world prices.

For number of years, we have been managing the pallet logistics for both local and multinational companies.

### *18.2.2 Currency Risks*

The development of foreign exchange rates is a risk factor of the Group's value, as the Group companies operate in a number of countries and in industries where inputs and outputs are often determined by world prices set in a currency other than the functional currency. The current system of currency risk management is focused on the future cash flows and financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits relevant for each region and industry. The Group strives to maximize the use of natural hedging of currency risks; management prefers to curtail transactions and business activities for which there is no natural hedging, no contracting option or a clear link to the functional currency of a particular Group company. Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows of the Group (including operational and investment foreign currency flows).

### *18.2.3 Credit Risks*

The Group is at risk of its counterparties not being able to meet their contractual obligations, which may result in a financial loss incurred by the Group. The Group's main financial assets include balances on bank accounts, cash in hand, other short-term financial assets and trade receivables. The Group's maximum exposure to credit risk in relation to receivables and other financial instruments as at 31 December 2024 and 2023 is the carrying value of each class of financial assets except for financial guarantees. Credit risk and solvency of counterparties are regularly evaluated not only for receivables, extended loans, loans or deposits, but also for contingent receivables or guarantees.

Credit risk from balances with banks and financial institutions is primarily managed by the Group's parent management where the amount of surplus funds is subject to regular reporting, and any surplus funds investments are made only with approved counterparties. To reduce the credit risk from balances, the Group uses an effective cash pooling system that allows selected groups of companies to optimally finance their operations in line with the Group's policy. For liquidity, credit risks are limited since counterparties are banks with a high credit rating (i.e. a low risk of not paying back its debt). In 2024 and 2023, the credit risk for all of the above financial assets was assessed as low and the allowances were determined using the 12-month expected credit loss.

Receivables are periodically evaluated for their collectability. The Group has a policy of credit limits where credit exposures of individual financial partners and wholesale partners are managed based on the creditworthiness of the counterparties as well as according to individual credit limits; the amount of doubtful receivables is properly and regularly monitored. An integral part of the account receivables maintenance includes not only the oversight carried out by the Credit Committee and tracking of receivables for individual business partners across the Group, but also setting of limits and blocking, effective securing of receivables, timely debt collection along with procuring evidence, monitoring of insolvency, offsetting, minimizing the use of credit cards, etc.

Below is a description of the credit risk relating to the Group's receivables and contract assets that has been assessed using the allowance matrix:

**31 December 2024**

| | | Trade receivables and contract assets | | | |
|---|---|---|---|---|---|
| **(In CZK thousands)** | **Contract assets** | **Within due date** | **Less than 3 months overdue** | **More than 3 months overdue** | **Total** |
| Expected credit loss in % | - | 0.1–3 % | 3–10% | 50–100 % | - |
| Estimated gross value of receivables | - | 18,299,169 | 2,900,384 | 904,935 | 22,104,488 |
| Expected credit loss | - | (382,362) | (203,934) | (617,315) | (1,203,611) |

**31 December 2023**

| | | Trade receivables and contract assets | | | |
|---|---|---|---|---|---|
| **(In CZK thousands)** | **Contract assets** | **Within due date** | **Less than 3 months overdue** | **More than 3 months overdue** | **Total** |
| Expected credit loss in % | - | 0.1–3% | 3–10% | 50–100% | - |
| Estimated gross value of receivables | - | 16,890,714 | 3,542,306 | 1,168,483 | 21,601,503 |
| Expected credit loss | - | (268,793) | (278,999) | (724,113) | (1,271,905) |

### *18.2.4 Interest Risks*

The Group is exposed to the risk of interest rate changes as it borrows funds both at fixed and floating interest rates; a significant part of interest rate risk management pertains to the Group's loan structure. All long-term and short-term loans have been provided by reputable banks and usually bear a floating interest rate linked to inter-bank offered rates (mainly PRIBOR and EURIBOR, or LIBOR, EONIA, BUBOR or WIBOR) plus a margin corresponding to market conditions. The ratio of long-term financing to total financing through bank and other loans, bonds or leasing was 37% as at 31 December 2024 (compared to 38% as at 31 December 2023). Tied primarily to the Group's non-current assets, the long-term bank and other loans mostly mature in the period from 2026 to 2034. In selected cases, the Group's companies conclude interest rate swaps to manage specific interest rate risk along with cash flows arising from variable rate loans.

As at 31 December 2024 and 2023 the Parent Company recognized a loan from the Controlling shareholder of the same amount, bearing interest at a variable rate plus margin (see Notes 15 and 29).

### *18.2.5 Liquidity Management*

The Group's liquidity risk is primarily perceived as an operational risk and the risk factor is represented in particular by the internal ability to effectively manage the future cash flows planning process within the Group, and to secure adequate liquidity and effective short-term financing. In any given period, the future deviations of the Group's estimated cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of the Group. Management emphasizes not only operating financing optimization but also controls of approved investment plans, adherence to the policies for approving and drawing on investments, including budgets for repairs and maintenance, or adequate securing of contractual obligations vis-à-vis investment suppliers. In the long term, emphasis is placed on cooperation with banks and important business partners – reliable suppliers and customers – based primarily on mutual trust and open communication. Due to a significant range of activities being geared towards agricultural production markedly cyclical in nature, an integral part of the Group's liquidity management system comprises also vertical integration of the Group along with the development of sectors linked both to food production and services associated with agricultural primary production, as well as the effective use of cash pooling.

## 18.3 Offsetting of Financial Instruments

The Civil Code in the Czech Republic, as well as the civil and commercial law in other countries where the Group companies operate, allow for the offsetting of existing receivables and liabilities by means of a bilateral legal act in the form of an agreement between the parties involved; at the same time, offsetting of due receivables and liabilities is allowed for by a unilateral legal act provided that mutual performance of the same kind (i.e. generally in cash) is due from each party to the other. Equivalent provisions may exist in other legal environments that are relevant to Group companies. To carry out unilateral offsetting of receivables and liabilities, declaration of at least one party is legally required.

In the consolidated balance sheet, both financial liabilities and receivables are always stated in the full amount to be settled as at the balance sheet date; no presentation on a net basis is applied. Unilateral offsetting is not used by the Group companies as standard. In selected business situations and on the basis of respective agreements, the Group companies make use of the reciprocal offsetting of receivables and liabilities as an alternative to the transfer of funds. The offsetting option is usually fixed also contractually. However, offsetting is not a primary tool of liquidity or credit risk management, and its use is often preferred in supplier-customer relationships as it is considered a practical administrative solution for settling of routine reciprocal transactions. Receivables and liabilities are recorded gross until they are (a) due and, at the same time, (b) their offsetting has been approved by both parties, i.e. they meet the criteria for offsetting/compensation (where the right to compensate any recorded amounts shall be enforceable and an intention to settle them in net amounts exists), or are subject to reciprocal offsetting as stipulated by agreement.

## 18.4 Maturity of Financial Liabilities

The following table summarizes future undiscounted cash flows from financial liabilities broken down by their expected maturity:

**31 December 2024**

| (In CZK thousands) | Less than 3 months | 3–12 months | 1–5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Loans, bonds and other sources of financing | 20,628,294 | 12,007,425 | 11,557,139 | 932,282 | 45,125,140 |
| Liabilities | 21,093,960 | 379,662 | 101,903 | 12,783 | 21,588,308 |
| Derivatives | 2,071 | 4,166 | 7,928 | - | 14,165 |
| Provided guarantees | 304 | 127 | - | - | 431 |

**31 December 2023**

| (In CZK thousands) | Less than 3 months | 3–12 months | 1–5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Loans, bonds and other sources of financing | 21,002,009 | 14,787,441 | 17,699,772 | 797,732 | 54,286,954 |
| Liabilities | 22,630,476 | 2,179,926 | 1,134,743 | 10,037 | 25,955,182 |
| Derivatives | 4,686 | 13,712 | 4,478 | - | 22,876 |
| Provided guarantees | 944 | 88 | - | - | 1,032 |

## 18.5 Changes in Liabilities from Financing

The following table summarizes changes in liabilities from financing:

**31 December 2024**

| (In CZK thousands) | Debt | Trade and other long-term liabilities | Trade and other short-term liabilities | Total liabilities from financing |
|---|---|---|---|---|
| **Amounts stated in the balance sheet as at 1 January 2024** | **58,768,868** | **2,711,696** | **29,126,590** | |
| Less: Liabilities from other activities than financing | - | (2,711,696) | (28,915,561) | |
| **Liabilities from financing as at 1 January 2024** | **58,768,868** | **-** | **211,029** | **58,979,897** |
| Cash flows | (10,764,020) | - | - | (10,764,020) |
| Non-cash changes of lease liabilities | 1,774,536 | - | - | 1,774,536 |
| Exchange differences | 500,771 | - | - | 500,771 |
| Acquisition of subsidiaries | 209,282 | - | - | 209,282 |
| Change of accrued interest | 2,485 | - | - | 2,485 |
| Transfers from/to Liabilities associated with assets classified as held for sale | 10,173 | - | - | 10,173 |
| Other | (33,888) | - | (181,029) | (214,917) |
| **Liabilities from financing as at 31 December 2024** | **50,468,207** | **-** | **30,000** | **50,498,207** |
| Liabilities from other activities than financing | | 1,832,820 | 25,711,258 | |
| **Total balance sheet amount as at 31 December 2024** | **50,468,207** | **1,832,820** | **25,741,258** | |

**31 December 2023**

| (In CZK thousands) | Debt | Trade and other long-term liabilities | Trade and other short-term liabilities | Total liabilities from financing |
|---|---|---|---|---|
| **Amounts stated in the balance sheet as at 1 January 2023** | **43,057,929** | **804,046** | **29,290,974** | |
| Less: Liabilities from other activities than financing | - | (804,046) | (29,260,974) | |
| **Liabilities from financing as at 1 January 2023** | **43,057,929** | **-** | **30,000** | **43,087,929** |
| Cash flows | 12,581,063 | - | - | 12,581,063 |
| Non-cash changes of lease liabilities | 1,900,547 | - | - | 1,900,547 |
| Exchange differences | 1,373,014 | - | - | 1,373,014 |
| Acquisition of subsidiaries | 654,370 | - | - | 654,370 |
| Change of accrued interest | 9,396 | - | - | 9,396 |
| Transfers from/to Liabilities associated with assets classified as held for sale | (801,351) | - | - | (801,351) |
| Other | (6,100) | - | 181,029 | 174,929 |
| **Liabilities from financing as at 31 December 2023** | **58,768,868** | **-** | **211,029** | **58,979,897** |
| Liabilities from other activities than financing | - | 2,711,696 | 28,915,561 | |
| **Total balance sheet amount as at 31 December 2023** | **58,768,868** | **2,711,696** | **29,126,590** | |

## 18.6 Sensitivity Analysis

### *18.6.1 Sensitivity to Changes in the Foreign Exchange Rate*

The Group is exposed to the currency risk arising in particular from transactions with companies based in the European Union. In addition to the Czech crowns (CZK), the most significant currencies used by the Group include mainly the euro (EUR), the Hungarian forint (HUF) and the British pound (GBP). The currency risk is evaluated in relation to the Group's functional currency (the Czech crown) at the balance sheet date; as at that date, receivables and payables denominated in foreign currencies are translated into Czech crowns at the exchange rate published by the Czech National Bank.

The sensitivity analysis includes, with the exception of equity securities, financial assets and liabilities denominated in foreign currencies and measures the impact of translation of these items as at the balance sheet date using the rate set by the Czech National Bank as of 31 December 2024 and 2023. The Group determines that a movement of exchange rates against the Czech crown in the following period in the range of +10% (appreciation of the Czech crown) and -10% (depreciation of the Czech crown) is reasonably possible. The exchange rate sensitivity analysis is prepared for individual currencies provided the rates of other currencies remain unchanged. The following table shows the impact on income before income taxes based on the estimated appreciation of +10% and depreciation of -10%, respectively against foreign currencies, along with the comparable information for 2023 (at that year, the exchange rate movement was considered in the range of +/-10% as well):

**2024**

| **(In CZK thousands)** | | **-10% CZK depreciation** | |
|---|---|---|---|
| Currency | EUR | HUF | GBP |
| Increase / (Decrease) of income | (718,341) | 1,056 | 836 |
| | | **+10% CZK appreciation** | |
| Currency | EUR | HUF | GBP |
| Increase / (Decrease) of income | 718,341 | (1,056) | (836) |
| | | **-10% HUF depreciation** | |
| Currency | | EUR | GBP |
| Increase / (Decrease) of income | | (60,590) | (1) |
| | | **+10% HUF appreciation** | |
| Currency | | EUR | GBP |
| Increase / (Decrease) of income | | 60,590 | 1 |
| | | **-10% EUR depreciation** | |
| Currency | | GBP | |
| Increase / (Decrease) of income | | (362) | |
| | | **+10% EUR appreciation** | |
| Currency | | GBP | |
| Increase / (Decrease) of income | | 362 | |

**2023**

| **(In CZK thousands)** | | **-10% CZK depreciation** | |
|---|---|---|---|
| Currency | EUR | HUF | GBP |
| Increase / (Decrease) of income | (2,159,901) | 1,890 | 871 |
| | | **+10% CZK appreciation** | |
| Currency | EUR | HUF | GBP |
| Increase / (Decrease) of income | 2,159,901 | (1,890) | (871) |
| | | **-10% HUF depreciation** | |
| Currency | | EUR | |
| Increase / (Decrease) of income | | 13,381 | |
| | | **+10% HUF appreciation** | |
| Currency | | EUR | |
| Increase / (Decrease) of income | | (13,381) | |
| | | **-10% EUR depreciation** | |
| Currency | | GBP | |
| Increase / (Decrease) of income | | (296) | |
| | | **+10% EUR appreciation** | |
| Currency | | GBP | |
| Increase / (Decrease) of income | | 296 | |

### *18.6.2 Sensitivity to Interest Rate Changes*

The Group is exposed to the interest rate risk arising in particular from short-term loans with a fixed maturity; the Group's liabilities are more sensitive to any changes in interest rates than its assets. Fixed-rate sources of financing are not affected by interest rate changes as no additional specific interest conditions apply to the financing, neither floating rate swaps, and no early repayment of these long-term liabilities is expected.

In the case of short-term loans and long-term loans with variable interest rate, the impact on income before income taxes is determined based on a specified change in interest rate that would have occurred at the beginning of the reporting year, and assuming that no other interest rate change occurred over the entire reporting period. Other financial assets and liabilities are not considered to be interest-sensitive.

**2024**

| (In CZK thousands) | Interest rate increase by 50 basis points | Interest rate decrease by 25 basis points |
|---|---|---|
| Increase / (Decrease) of income | (151,571) | 75,786 |

**2023**

| (In CZK thousands) | Interest rate increase by 50 basis points | Interest rate decrease by 25 basis points |
|---|---|---|
| Increase / (Decrease) of income | (165,347) | 82,673 |

## 18.7 Financial Risk Management Related to Agricultural Activity and Biological Assets

### *18.7.1 Regulatory and Environmental Risks*

The Group is subject to various statutory regulations and, for these reasons, the Group has implemented diverse internal measures so as to meet the very strict regulations including environmental protection requirements.

### *18.7.2 Supply and Demand Risks*

Due to the nature of the products offered, the Group is subject to a significant fluctuation in demand for production and its frequent price change. However, the Group is fully committed to adapting its agricultural output to match the current demand and supply in the marketplace. In addition, management of the Group has implemented strong planning techniques and analyses in order to respond to any changes in the market with agricultural commodities.

### *18.7.3 Climate Risks*

The agricultural production of the Group, as well as the production in the rest of Europe, is very prone to climatic conditions. The Group has various instruments to mitigate its impact; it is nonetheless insured against appropriate meteorological influences, where applicable.

## 19 Provisions

Movements in provisions in 2024 and 2023:

| (In CZK thousands) | Provision for environmental liabilities and restoration to original state | Provision for litigation and contingent amounts due to government | Provision for restructuring | Provision for restructuring | Provision for emission allowances | Other provisions | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **1,199,356** | **996,153** | **90,071** | **40,156** | **885,940** | **455,679** | **3,667,355** |
| Additions (see Note 24) | 47,268 | 602,174 | 282,771 | 61,993 | 2,641,232 | 241,776 | **3,877,214** |
| Reversal (see Note 24) | (352,312) | (86,937) | (37,520) | (11,943) | (361,501) | (187,776) | **(1,037,989)** |
| Use | (9,429) | (41,383) | (68,194) | (4,528) | (522,732) | (91,302) | **(737,568)** |
| Effect of change in estimate added to property, plant and equipment | 35,861 | - | - | - | - | - | **35,861** |
| Discount of provisions | 890 | - | - | 148 | - | (1,257) | **(219)** |
| Acquisition of subsidiaries | 570,195 | 14,192 | - | - | 1,861,998 | 56,922 | **2,503,307** |
| Transfers from/to Liabilities associated with assets classified as held for sale | (221,771) | (9,185) | (6,113) | (10,472) | (281,864) | (7,428) | **(536,833)** |
| Exchange differences | 62,300 | 39,476 | 6,757 | 1,464 | 115,013 | -8,275 | **216,735** |
| **Balance as at 31 December 2023** | **1,332,358** | **1,514,490** | **267,772** | **76,818** | **4,338,086** | **458,339** | **7,987,863** |
| Additions (see Note 24) | 17,864 | 62,690 | 22,611 | 7,979 | 2,576,994 | 99,963 | **2,788,101** |
| Reversal (see Note 24) | (59,172) | (81,404) | (8,857) | (27,755) | (122,601) | (141,011) | **(440,800)** |
| Use | (10,203) | (553,647) | (244,894) | (40,480) | (4,271,452) | (74,612) | **(5,195,288)** |
| Effect of change in estimate added to property, plant and equipment | (28,270) | - | - | - | - | - | **(28,270)** |
| Discount of provisions | (531) | - | - | - | - | (1,570) | **(2,101)** |
| Exchange differences | 26,253 | 9,305 | 3,831 | -355 | 71,167 | 5,746 | **115,947** |
| **Balance as at 31 December 2024** | **1,278,299** | **951,434** | **40,463** | **16,207** | **2,592,194** | **346,855** | **5,225,452** |

As at 31 December 2024 and 2023, Duslo, a.s. reported a provision of CZK 776,353 thousand (EUR 30,826 thousand) for litigation, recognized in 2022. For more information please refer to Note 33.

In 2023 AGROFERT, a.s. created a provision of CZK 528,885 thousand (EUR 21 million) for litigation with the Slovak Antimonopoly Office. The provision was used in 2024. For details on litigation, see Note 33.

## 20 Revenue

The Group derives the majority of its revenues from the sale of products and goods in the chemical, food and agricultural industries, as well as vehicles and machinery. In addition, revenues are derived from the sale of services, predominantly in the media, transportation and forestry sectors.

In 2024 and 2023, the structure of the Group's revenues from the sale of goods, products and services, broken down by location of customers, was as follows:

**2024**

| (In CZK thousands) | Total | CZ | EU excl. CZ | Others |
|---|---|---|---|---|
| Revenue from chemical industry | 97,666,310 | 20,112,970 | 67,156,496 | 10,396,844 |
| Revenue from agricultural industry | 34,075,952 | 15,192,875 | 18,355,137 | 527,940 |
| Revenue from food industry | 58,161,616 | 28,130,543 | 29,221,461 | 809,612 |
| Revenue from vehicles and machinery | 6,278,348 | 3,622,441 | 2,626,938 | 28,969 |
| Other revenue | 6,941,294 | 4,832,430 | 2,065,179 | 43,685 |
| Revenue from the sale of materials | 848,906 | 482,350 | 365,753 | 803 |
| **Revenue from the sale of goods, products and materials – transferred at a point in time** | **203,972,426** | **72,373,609** | **119,790,964** | **11,807,853** |
| Revenue from the sale of media service – advertising | 107,600 | 93,449 | 13,012 | 1,139 |
| Revenue from the sale of transportation services | 746,772 | 556,620 | 186,390 | 3,762 |
| Revenue from the sale of forestry services | 971,675 | 971,495 | 180 | - |
| Other | 5,896,981 | 3,196,208 | 2,665,304 | 35,469 |
| **Revenue from the sale of services – transferred over time** | **7,723,028** | **4,817,772** | **2,864,886** | **40,370** |
| **Total** | **211,695,454** | **77,191,381** | **122,655,850** | **11,848,223** |

In 2024 compared to the 2023, revenue from sale of goods, products and services increased mainly due to the acquisition of LAT Nitrogen companies (acquisition date 5 July 2023), despite the loss of control over companies from MAFRA, a.s., LONDA spol. s r.o. and Synthesia, a.s. groups (date of sale 1 February 2024).

**2023**

| (In CZK thousands) | Total | CZ | EU excl. CZ | Others |
|---|---|---|---|---|
| Revenue from chemical industry | 90,039,392 | 22,100,383 | 56,904,772 | 11,034,237 |
| Revenue from agricultural industry | 35,994,458 | 16,512,066 | 19,026,410 | 455,982 |
| Revenue from food industry | 57,427,366 | 27,983,215 | 28,622,891 | 821,260 |
| Revenue from vehicles and machinery | 8,196,103 | 4,348,624 | 3,818,822 | 28,657 |
| Other revenue | 8,750,624 | 5,929,968 | 2,631,454 | 189,202 |
| Revenue from the sale of materials | 515,262 | 283,053 | 223,179 | 9,030 |
| **Revenue from the sale of goods, products and materials – transferred at a point in time** | **200,923,205** | **77,157,309** | **111,227,528** | **12,538,368** |
| Revenue from the sale of media service – advertising | 1,719,214 | 1,455,077 | 210,919 | 53,218 |
| Revenue from the sale of transportation services | 574,889 | 457,132 | 110,578 | 7,179 |
| Revenue from the sale of forestry services | 1,123,660 | 1,118,762 | 4,898 | - |
| Other | 7,318,810 | 4,983,690 | 2,374,612 | (39,492)*) |
| **Revenue from the sale of services – transferred over time** | **10,736,573** | **8,014,661** | **2,701,007** | **20,905** |
| **Total** | **211,659,778** | **85,171,970** | **113,928,535** | **12,559,273** |

**) In 2023, a credit note was issued for the revenue recognized by a newly acquired company in the previous year.*

*Abbreviations used:*
CZ Czech Republic, EU European Union

### 20.1 Balances of Contract Assets, Trade Receivables and Contract Liabilities

Group trade receivables, contract assets and contract liabilities as at the balance sheet date are as follows:

| (In CZK thousands) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Trade receivables and contract assets (see Note 11) | 20,900,877 | 20,329,598 |
| Contract liabilities | 718,587 | 1,264,580 |

#### *Contract assets*

Contract assets are not material.

#### *Contract liabilities*

Contract liabilities include deferred revenues from subscription of newspapers and magazines and advances received from customers in order to provide agricultural products and goods. The contract liabilities totalled CZK 718,587 thousand as at 31 December 2024 and CZK 1,264,580 thousand as at 31 December 2023. The contract liabilities are usually settled within the next 12 months.

### 20.2 Performance Obligations

As part of their ordinary operating activities, the Group companies enter into contracts with customers prior to the financial statements date based on which performance is provided in the subsequent accounting period. These include ordinary business contracts comprising usual maturities and price arrangements. Generally, the performance obligation is satisfied within a short time frame following the financial statements date through delivery of the product, goods or provision of the service.

## 21 Depreciation and Amortization

Depreciation and amortization include the following items:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (see Note 5.1) | (10,209,864) | (9,149,376) |
| Amortization of intangible assets (see Note 5.2) | (155,869) | (273,068) |
| Depreciation of right of use asset (see Note 6.1) | (1,506,106) | (1,424,310) |
| Depreciation of net book value upon liquidation or further processing of non-current animal and plant biological assets | (131,325) | (177,688) |
| **Total depreciation and amortization** | **(12,003,164)** | **(11,024,442)** |

## 22 Personnel Expenses

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Average number of employees and key management personnel of the Group | 28,969 | 32,000 |
| Salaries and wages, agency workers and remuneration of statutory bodies | (22,252,455) | (21,148,124) |
| Social security and health insurance | (6,066,910) | (5,597,330) |
| Other personnel expenses | (874,703) | (887,719) |
| **Total personnel expenses** | (29,194,068) | (27,633,173) |

Of the above amounts, the remuneration and compensation to key management personnel of the Group that is not disclosed under related party services in Note 29 was as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Salaries and wages and remuneration of statutory bodies | (172,805) | (224,790) |
| Social security and health insurance | (26,988) | (31,391) |
| **Total short-term employee benefits** | **(199,793)** | **(256,181)** |

Both the Board of Directors members and management members of the parent company are considered key management personnel of the Group. In 2024 and 2023, no post-employment benefits or termination benefits applied to key management personnel. As part of other employee benefits, Group's directors and executive officers may use company cars and mobile phones for private purposes. No material advances (except for personal advances for operating needs, if any), loans and other receivables, payables, provided or received guarantees or performance commitments including pension liabilities (except for contractually agreed individual severance payment, if any) are recorded in relation to the aforementioned persons. The Group companies may, considering the nature of their business, sell products or services to management; however, such transactions shall be effected under current market conditions where the management is in the position of a third party.

## 23 Changes in Fair Values of Non-current Biological Assets and Investment Property

The item Changes in fair values of non-current biological assets and investment property in 2024 and 2023 includes the following:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Change in fair value of non-current biological asset – animals | 312,711 | (599,952) |
| Change in fair value of non-current biological asset – plants | (3,680) | (3,645) |
| Change in fair value of investment property | (330) | 19,885 |
| **Total income (+) / expense (-), net** | **308,701** | **(583,712)** |

## 24 Impairment of Goodwill and Changes in Impairment Allowances against Non-current Assets and Operating Provisions, net

Impairment of goodwill and changes in impairment allowances against non-current assets and operating provisions, net, include the following:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Impairment of goodwill (see Note 2.6) | (82,046) | (116,035) |
| Creation and reversal of provisions, net (see Note 19) | (2,345,386) | (2,839,225) |
| Creation and reversal of allowances against property plant and equipment and intangible assets, net (see Notes 5.1 and 5.2) | 381,049 | 1,847,959 |
| Creation and reversal of allowances against assets classified as held for sale, net | 75,132 | (2,599) |
| Creation and reversal of allowances against investments in associates and joint ventures, net | (36,091) | (5,217) |
| **Total income (+) / expenses (-), net** | **(2,007,342)** | **(1,115,117)** |

## 25 Other Operating Expenses and Income

Other operating income includes in particular income from operating subsidies (see Note 30), gain on the sale of non-current assets, gain on the sale of assets and associated liabilities classified as held for sale, insurance claims and return of excise duty or contractual penalties.

Gain from a bargain purchase in the amount of CZK 2,253,855 thousand related to the acquisition of the LAT Nitrogen Group was recognized in other operating income in 2023 (see Note 4.6).

Other operating expenses include in particular administrative charges and taxes, donations, loss on the sale of non-current assets, property and personal insurance costs, miscellaneous travel costs, staff security and development, etc.

## 26 Other Financial Expenses and Income

Other financial expenses and income, net Other financial expenses and income, net include the following:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Settlement and valuation of derivatives held-for-trading | 12,542 | 89,600 |
| Bank charges | (116,934) | (108,226) |
| Income from received dividends and from other long-term financial assets | 22,508 | 8,836 |
| Change in fair value of financial investments in equity instruments | 49,190 | 45,412 |
| Other | 173,493 | 8,771 |
| **Total income (+) / expenses (-), net** | **140,799** | **44,393** |

In 2024 the line Other comprised, in particular, a change in the fair value of consideration transferred from the acquisition of the LAT Nitrogen companies.

## 27 Income Taxes

The major components of income tax expense were as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Current income tax charge | (1,618,370) | (1,139,994) |
| Adjustment in respect of current income tax of previous year | (5,762) | (44,404) |
| Deferred tax | 1,049,981 | 787,382 |
| **Income tax expense** | **(574,151)** | **(397,016)** |

The differences between income tax expense and income tax expense provided on accounting profit before tax multiplied by effective tax rate:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Profit before income taxes | 7,665,966 | 2 482 955 |
| **Tax rate effective in Czech Republic** | **21.00%** | **19.00%** |
| Expected income tax expense | (1,609,853) | (471,761) |
| **Adjustments:** | | |
| Tax non-deductible expenses related to holding of financial investments | (21,781) | (27,436) |
| Impairment of goodwill and gain on bargain purchase | (17,230) | 406,186 |
| Share on results of associates and joint ventures | 189,688 | 150,490 |
| Tax credits | 5,899 | 5,749 |
| Adjustment in respect of current income tax of previous year | (5,762) | (44,404) |
| Local business tax and innovation contribution | (52,580) | (38,104) |
| Tax levied at a special tax rate, flat-rate tax | 211 | (43) |
| Effect of different tax rates in other countries | 145,194 | 31,884 |
| Change in unrecognized deferred tax assets | 505,989 | 9,613 |
| Other already taxed, tax exempt or non-deductible items, net *) | 286,074*) | (419,190) *) |
| **Income tax expense** | **(574,151)** | **(397,016)** |
| **Effective tax rate** | **7.49%** | **15.55%** |

**) In 2023, the item Other already taxed, tax exempt or non-deductible items, net include the impact of a change in the income tax rate as of 1 January 2024 from 19% to 21% for Czech companies and from 24% to 23% for Austrian companies. The total negative impact of this change amounted to CZK (223,262) thousand. In 2024, this item includes the impact of a change in the income tax rate as of 1 January 2025 from 21% to 24% for Slovak companies. The total negative impact of this change amounted to CZK (28,709) thousand.*


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Movements in deferred income taxes in 2024:

| (In CZK thousands) | 1 January 2024 | | | | | | | 31 December 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| | **Deferred tax asset** | **Deferred tax liability** | Deferred tax expense reported in statement of profit or loss | Deferred tax expense reported in other comprehensive income | Acquisition of subsidiaries | Loss of control over subsidiaries | Exchange differences | **Deferred tax asset** | **Deferred tax liability** |
| Net book value of non-current assets | **216,601** | **5,344,432** | 541,299 | 283 | (86,400) | 23,173 | (34,212) | **870,749** | **5,554,437** |
| Provisions; accrual for employee bonuses | **636,931** | **52,905** | (136,700) | 7,547 | 431 | - | 7,590 | **514,625** | **51,731** |
| Allowance against receivables; valuation of receivables | **187,742** | **33,483** | 86,414 | - | - | - | 1,027 | **282,481** | **40,781** |
| Allowances against non-current assets | **366,667** | **-** | (102,777) | - | - | - | 4,791 | **268,681** | **-** |
| Allowances against inventory; inventory valuation | **603,760** | **189,112** | (57,619) | (1,296) | (661) | - | 2,041 | **478,226** | **121,113** |
| Other temporary differences | **81,202** | **144,167** | 53,362 | 14,680 | - | - | (1,391) | **101,878** | **98,192** |
| Tax losses carried forward | **1,447,762** | **-** | 688,892 | (461) | - | - | 18,310 | **2,154,503** | **-** |
| Compensation of deferred tax asset and liability at the level of individual companies | **(2,428,048)** | **(2,428,048)** | - | - | - | - | - | **(2,435,390)** | **(2,435,390)** |
| **Total** | **1,112,617** | **3,336,051** | **1,072,871** | **20,753** | **(86,630)** | **23,173** | **(1,844)** | **2,235,753** | **3,430,864** |

Other temporary differences include e.g. investment incentives, unpaid interest on late payment, cash flow hedges, etc.

The change in the deferred tax classified as held for sale recognized through profit or loss totalled CZK (22,890) thousand in 2024.

The Group companies are part of a so-called large multinational group within the meaning of the acts on top-up taxes for large multinational groups and large domestic groups. As of 1 January 2024, the companies of the Group became liable for the attributed top-up tax and the Czech top-up tax. In the recognized deferred tax, the possible effect of the top-up tax has not been reflected. Although the resulting impact of the application of both the attributed and the Czech top-up tax is currently exceedingly difficult to quantify, the entity does not expect it to be material.

Movements in deferred income taxes in 2023:

| (In CZK thousands) | 1 January 2023 | | | | | | | 31 December 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | **Deferred tax asset** | **Deferred tax liability** | Deferred tax expense reported in statement of profit or loss | Deferred tax expense reported in other comprehensive income | Acquisition of subsidiaries | Transfers from/ to deferred tax classified as held for sale | Exchange differences | **Deferred tax asset** | **Deferred tax liability** |
| Net book value of non-current assets | **107,060** | **4,753,798** | 379,790 | (3,380) | (1,053,260) | 262,265 | (66,508) | **216,601** | **5,344,432** |
| Provisions; accrual for employee bonuses | **462,369** | **52,174** | 67,735 | 763 | 153,502 | (62,900) | 14,731 | **636,931** | **52,905** |
| Allowance against receivables; valuation of receivables | **147,519** | **25,945** | 8,706 | - | 22,603 | (798) | 2,174 | **187,742** | **33,483** |
| Allowances against non-current assets | **934,313** | **-** | (479,965) | - | - | (92,262) | 4,581 | **366,667** | **-** |
| Allowances against inventory; inventory valuation | **948,304** | **368,308** | (140,087) | - | 79,198 | (109,366) | 4,907 | **603,760** | **189,112** |
| Other temporary differences | **82,897** | **111,024** | (65,612) | 24,543 | 6,208 | 1,846 | (1,823) | **81,202** | **144,167** |
| Tax losses carried forward | **121,405** | **-** | 1,017,233 | - | 280,977 | (4,207) | 32,354 | **1,447,762** | **-** |
| Compensation of deferred tax asset and liability at the level of individual companies | **(2,114,493)** | **(2,114,493)** | - | - | - | - | - | **(2,428,048)** | **(2,428,048)** |
| **Total** | **689,374** | **3,196,756** | **787,800** | **21,926** | **(510,772)** | **(5,422)** | **(9,584)** | **1,112,617** | **3,336,051** |

Other temporary differences include e.g. investment incentives, unpaid interest on late payment, cash flow hedges, etc.

The change in the deferred tax classified as held for sale recognized through profit or loss totalled CZK (418) thousand in 2023.

Deferred tax related to items recognized in consolidated statement of other comprehensive income during the year:

**2024**

| (In CZK thousands) | Amount before deferred tax effect | Deferred tax expense | Amount net of deferred tax effect |
|---|---|---|---|
| **Other comprehensive income – items that may be reclassified subsequently to statement of profit or loss** | **530,481** | **14,335** | **544,816** |
| Change in fair value of cash flow hedges recognized in equity | (35,169) | 5,785 | (29,384) |
| Cash flow hedges reclassified to statement of profit or loss | (40,743) | 8,550 | (32,193) |
| Translation differences | 606,393 | - | 606,393 |
| **Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods** | **(10,244)** | **6,605** | **(3,639)** |
| Gain (+) / loss (-) on defined benefit plans | (10,244) | 6,605 | (3,639) |
| **Total other comprehensive income** | **520,237** | **20,940** | **541,177** |

**2023**

| (In CZK thousands) | Amount before deferred tax effect | Deferred tax expense | Amount net of deferred tax effect |
|---|---|---|---|
| **Other comprehensive income – items that may be reclassified subsequently to statement of profit or loss** | **1,531,867** | **24,543** | **1,556,410** |
| Change in fair value of cash flow hedges recognized in equity | 10,403 | (2,742) | 7,661 |
| Cash flow hedges reclassified to statement of profit or loss | (147,486) | 27,285 | (120,201) |
| Translation differences | 1,668,950 | - | 1,668,950 |
| **Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods** | **2,947** | **(2,617)** | **330** |
| Gain (+) / loss (-) on defined benefit plans | (14,780) | 763 | (14,017) |
| Gain from transfer to investment property | 17,727 | (3,380) | 14,347 |
| **Total other comprehensive income** | **1,534,814** | **21,926** | **1,556,740** |

As at 31 December 2024, the Group carried forward tax losses of CZK 26,936,138 thousand to future years (CZK 23,705,168 thousand as at 31 December 2023); of which CZK 9,099,341 thousand (CZK 6,374,134 thousand as at 31 December 2023) have been recognized as temporary difference resulting in deferred tax asset. As of 31 December 2024 The Group records CZK 24,659,681 thousand of the total tax losses with expiration in 2029 or later. The losses were mainly incurred in the chemical companies in France and the bakery companies in Germany.

Unrecognized deferred tax assets relate, in particular, to the unused tax losses and investments incentives in the form of corporate income tax relief (see Note 30), and are recognized to the extent that it is probable that taxable profit will be available against which the tax losses and reliefs can be offset.

## 28 Employee Benefits

Most Group companies operate post-employment and other long-term benefit plans. The forms and benefits vary in terms of conditions and practices in the countries concerned. The plans include both defined contribution plans and plans that provide defined benefits based on employees' years of service.

The amounts shown on the balance sheet were determined as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Present value of liabilities financed from funds | (675,930) | (775,944) |
| Fair value of retirement benefit plan assets | 73,328 | 163,409 |
| **Deficit of plans financed from funds** | **(603,602)** | **(612,535)** |
| Present value of liabilities not financed from funds | - | - |
| Severance plans | (634,621) | (646,296) |
| Other long-term employee benefits | (378,465) | (366,604) |
| **Net liability** | **(1,616,688)** | **(1,625,435)** |

The Group operates defined post-employment benefit plans in Germany, France and Austria under broadly similar regulatory frameworks. These comprise mainly pension plans and severance plans.

### *28.1.1 Defined Benefit Pension Plans*

Employees of certain companies in Germany, Austria and France whose employment relationship started before certain date in the past are members of a retirement benefit plan; the plan includes, in particular, employee benefits upon retirement and in the event of disability or death.

Changes in the balance of defined benefit pension plan liabilities and in the fair value of the plan assets in 2024 and 2023 were as follows:

**2024**

| (In CZK thousands) | | Expenses reported in profit/loss for 2024 | | | | | | | | Reported in other comprehensive income for 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2024 | Acquisition of subsidiaries | Service cost | Interest expense/ income | Employer contribution | Total expense reflected in profit/ loss | Benefits paid | Exchange rate difference *) | Return on plan assets excluding interest | Actuarial gains/ losses arising from changes in demographic assumptions | Actuarial gains/ losses arising from changes in financial assumptions | Adjustment based on prior experience | 31 December 2024 |
| Liability from defined benefit plans | (775,944) | - | (261) | (25,544) | - | (25,805) | 156,454 | (14,137) | - | - | 12,069 | (28,567) | (675,930) |
| Fair value of plan assets | 163,409 | - | - | 5,304 | - | 5,304 | (191,268) | 2,793 | 92,090 | - | - | - | 72,328 |
| **Total liability** | **(612,535)** | **-** | **(261)** | **(20,240)** | **-** | **(20,501)** | **(34,814)** | **(11,344)** | **92,090** | **-** | **12,069** | **(28,567)** | **(603,602)** |

**2023**

| (In CZK thousands) | | Expenses reported in profit/loss for 2023 | | | | | | | | Reported in other comprehensive income for 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2023 | Acquisition of subsidiaries | Service cost | Interest expense/ income | Employer contribution | Total expense reflected in profit/ loss | Benefits paid | Exchange rate difference *) | Return on plan assets excluding interest | Actuarial gains/ losses arising from changes in demographic assumptions | Actuarial gains/ losses arising from changes in financial assumptions | Adjustment based on prior experience | 31 December 2023 |
| Liability from defined benefit plans | (350,275) | (414,541) | (337) | (19,338) | - | (19,675) | 41,477 | (26,366) | - | - | (41,776) | 35,212 | (775,944) |
| Fair value of plan assets | 37,514 | 110,396 | - | 3,410 | - | 3,410 | (2,861) | 5,894 | 9,056 | - | - | - | 163,409 |
| **Total liability** | **(312,761)** | **(304,145)** | **(337)** | **(15,928)** | **-** | **(16,265)** | **38,616** | **(20,472)** | **9,056** | **-** | **(41,776)** | **35,212** | **(612,535)** |

**) The exchange rate difference is presented in other comprehensive income in statement of other comprehensive income as translation difference.*

Main actuarial assumptions were as follows:

| (In %) | 2024 | 2023 |
|---|---|---|
| Discount rate | 3.35-3.46 | 3.30 – 3.54 |
| Inflation rate | 2.00 | 2.00 – 2.50 |
| Wage growth rate | 2.50 | 2.50 |
| Pension growth rate | 2.00 | 2.00 – 2.50 |

The assumptions about future mortality rates have been derived from RT Heubeck 2018G and 2005G.

The average life expectancy after retirement at the age of 62 or 63 is 8-13 years.

The sensitivity of the total pension liability to changes in the discount rate, wage growth rate and pension growth rate is as follows:

| (In CZK thousands) | Effect on pension liability in 2024 increase/(decrease) | Effect on pension liability in 2023 increase/(decrease) |
|---|---|---|
| Discount rate decrease by 0.5% | 29 493 | 35,185 |
| Discount rate increase by 0.5% | (27,322) | (32,490) |
| Pension growth rate decrease by 0.5% | (26,021) | (31,129) |
| Pension growth rate increase by 0.5% | 27,851 | 33,601 |

The majority of pension commitments are attributable to plans in Germany and Austria. The plan assets consist exclusively of reinsurance contracts for individual pension agreements. In Germany the expected return on plan assets is determined based on guaranteed insurance proceeds (Garantierte Leistungen) and expected surplus assets (Überschussanteile) on the underlying reinsurance policy. In Austria the plan assets were transferred to external pension funds managed by APK Pensionskasse AG. The investment of plan assets in Austria is governed by Section 25 of the Austrian Pension Fund Act and the Investment Fund Act. In addition to these regulations, the investment guidelines of APK Pensionskasse AG regulate the spread of asset allocation, the use of umbrella funds and the selection of fund managers.

The estimated cash flows in relation to pension plans are as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Within 1 year | 62,843 | 69,336 |
| 2 – 5 years | 223,130 | 236,600 |
| 6 – 10 years | 221,896 | 223,044 |

### *28.1.2 Severance Plans*

Severance plans are operated mainly in the Austrian companies and cover employees who started their service before 1 January 2003. Furthermore, the Group operates severance plans in France.

Changes in the balance of severance plan liabilities in 2024 and 2023 were as follows:

**2024**

| (In CZK thousands) | Expenses reported in profit/loss for 2024 | | | | | | | Reported in other comprehensive income for 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2024 | Acquisition of subsidiaries | Service cost | Interest expense/ income | Employer contribution | Total expense reflected in profit/ loss | Benefits paid | Exchange rate difference *) | Actuarial gains/losses arising from changes in demographic assumptions | Actuarial gains/ losses arising from changes in financial assumptions | Adjustment based on prior experience | 31 December 2024 |
| Liability from defined benefit plans | (646,296) | - | (22,840) | (21,330) | - | (44,170) | 63,986 | (11,961) | (35,077) | 38,400 | 497 | (634,621) |

**2023**

| (In CZK thousands) | Expenses reported in profit/loss for 2023 | | | | | | | Reported in other comprehensive income for 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2023 | Acquisition of subsidiaries | Service cost | Interest expense/ income | Employer contribution | Total expense reflected in profit/ loss | Benefits paid | Exchange rate difference *) | Actuarial gains/losses arising from changes in demographic assumptions | Actuarial gains/ losses arising from changes in financial assumptions | Adjustment based on prior experience | 31 December 2023 |
| Liability from defined benefit plans | - | (616,629) | (9,408) | (11,334) | - | (20,742) | 39,031 | (26,850) | (382) | (1,608) | (19,116) | (646,296) |

**) The exchange rate difference is presented in other comprehensive income in statement of other comprehensive income as translation difference.*

Main actuarial assumptions were as follows:

| (In %) | 2024 | 2023 |
|---|---|---|
| Discount rate | 3.40 | 3.30 |
| Inflation rate | 2.00 | 2.50 |
| Wage growth rate | 3.25-3.50 | 3.75 |

The sensitivity of the total severance plan liability to changes in the discount rate and wage growth rate is as follows:

| (In CZK thousands) | Effect on severance plan liability in 2024 increase/(decrease) | Effect on severance plan liability in 2023 increase/(decrease) |
|---|---|---|
| Discount rate decrease by 0.5% | 42,170 | 36,579 |
| Discount rate increase by 0.5% | (38,494) | (39,926) |
| Wage growth rate decrease by 0.5% | (38,691) | (39,907) |
| Wage growth rate increase by 0.5% | 41,978 | 36,903 |

The estimated cash flows in relation to severance plans are as follows:

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Within 1 year | 17,589 | 20,170 |
| 2–5 years | 108,229 | 123,865 |
| 6–10 years | 173,727 | 191,654 |

### 28.1.3 Other Long-term Employee Benefits

Other long-term employee benefits provided by the Group companies include items such as jubilee payments and pre-pension benefits. The total amount of the other long-term employee benefit obligation is CZK 378,465 thousand and CZK 366,604 thousand as of 31 December 2024 and 2023, respectively.

## 29 Related Parties

The Group companies sell goods, products and services to related parties or purchase goods, products and services from related parties in the ordinary course of business. In 2024 and 2023, the Group carried out the following transactions with the related parties (excluding the management bonuses disclosed in Note 22):

**2024**

| (In CZK thousands) | Associates and joint ventures | Parent Company shareholders | Key management personnel of the Group | Other related parties | Total |
|---|---|---|---|---|---|
| Sale of products, goods and services, etc. | 3,028,368 | 113 | 47 | 972,341 | **4,000,869** |
| Purchase of products, goods and services, etc. | (746,025) | - | (8,760) | (505,352) | **(1,260,137)** |
| Sale of property, plant and equipment and intangible assets | 7 547 | - | - | - | **7,547** |
| Purchase of property, plant and equipment and intangible assets | - | (1,400) | - | (15,038) | **(16,438)** |
| Interest income, received dividends and other financial income | 14,536 | - | - | 15,291 | **29,827** |
| Interest expense | (11,082) | (78,048) | - | (78,342) | **(167,472)** |

**2023**

| (In CZK thousands) | Associates and joint ventures | Parent Company shareholders | Key management personnel of the Group | Other related parties | Total |
|---|---|---|---|---|---|
| Sale of products, goods and services, etc. | 3,447,824 | - | - | 1,107,374 | **4,555,198** |
| Purchase of products, goods and services, etc. | (592,690) | - | (9,000) | (624,835) | **(1,226,525)** |
| Sale of property, plant and equipment and intangible assets | 436 | - | - | 2,199 | **2,635** |
| Purchase of property, plant and equipment and intangible assets | (25,642) | - | - | (94,072) | **(119,714)** |
| Interest income, received dividends and other financial income | 3,435 | - | - | 3,072 | **6,507** |
| Interest expense | (15,130) | - | - | (191,431) | **(206,561)** |

The Group companies' receivables from and payables to the related parties (including extended loans) as at 31 December 2024 and 2023 were as follows:

**31 December 2024**

| (In CZK thousands) | Associates and joint ventures | Parent Company shareholders | Key management personnel of the Group | Other related parties | Total |
|---|---|---|---|---|---|
| Short-term trade receivables | 280,688 | 8 | - | 113,227 | **393,923** |
| Other short-term receivables | 869 | - | - | 74 | **943** |
| Other long-term receivables | 143,761 | - | - | 25,064 | **168,825** |
| Short-term trade payables | 27,083 | 110 | 883 | 243,888 | **271,964** |
| Other short-term payables | 200,000 | 5,424 | - | 123,016 | **328,440** |
| Other long-term payables | - | - | - | 279,831 | **279,831** |
| Loans granted | 289,547 | - | 25,185 | 528,156 | **842,888** |
| Loans received (see Note 15) | - | 1,482,270 | - | 486,534 | **1,968,804** |
| Allowances against receivables | - | - | - | - | **-** |

**31 December 2023**

| (In CZK thousands) | Associates and joint ventures | Parent Company shareholders | Key management personnel of the Group | Other related parties | Total |
|---|---|---|---|---|---|
| Short-term trade receivables | 248,298 | - | - | 114,871 | **363,169** |
| Other short-term receivables | 742 | - | - | - | **742** |
| Other long-term receivables | 128,385 | - | - | 25,064 | **153,449** |
| Short-term trade payables | 63,144 | - | 908 | 171,278 | **235,330** |
| Other short-term payables | 258,786 | - | - | 141,934 | **400,720** |
| Other long-term payables | - | - | - | 398,071 | **398,071** |
| Loans granted | - | - | - | 40,560 | **40,560** |
| Loans received (see Note 15) | - | - | - | 3,226,056 | **3,226,056** |
| Allowances against receivables | - | - | - | - | **-** |

Compensations and benefits related to the key management personnel of the Group are disclosed in Note 22. There were no other transactions of the Group in addition to these compensations and benefits, and purchase of selected services from and to members of statutory, supervisory and managerial bodies of the Group (see Note 22) in 2024 and 2023.

## 30 Subsidies

The Group companies received the following subsidies:

**2024**

| (In CZK thousands) | Subsidies received in 2024 *) | | Subsidies reported in 2024 **) | |
|---|---|---|---|---|
| | Operating subsidies | Investment subsidies | Operating subsidies | Investment subsidies |
| Subsidies for agricultural activities and other subsidies ***) | 1,603,969 | 68,619 | 1,429,952 | 92,424 |

**2023**

| (In CZK thousands) | Subsidies received in 2023 *) | | Subsidies reported in 2023 **) | |
|---|---|---|---|---|
| | Operating subsidies | Investment subsidies | Operating subsidies | Investment subsidies |
| Subsidies for agricultural activities and other subsidies ***) | 1,940,210 | 238,729 | 2,040,999 | 232,843 |

**) Subsidies received from their providers in the given reporting period.*
***) Subsidies recognized in the consolidated financial statements as at 31 December when an unquestionable legal claim to receive the subsidy occurred.*
****) Without compensation of guaranteed feed-in tariffs of electricity at biogas installations and at other rewable energy resources..*

A major portion of operating subsidies is related to agricultural primary production. Certain Group companies also operate biogas installations and other renewable energy resources. Payments received and reported by the Group for the compensation of guaranteed electricity feed-in tariffs through OTE, a.s. (energy market operator) were CZK 14,246 thousand and CZK 14,636 thousand in 2024 (CZK 27,995 thousand received, respectively CZK 6,666 thousand reported in 2023).

As at 31 December 2024, the Group companies had the following significant approvals or promises of investment incentives from the relevant authorities.

As at 31 December 2024, Duslo, a.s. had an income tax relief in the total amount of CZK 1,474,834 thousand (EUR 58,560 thousand); of which part has already been used in previous years. The company did not avail itself of the tax relief in 2024 and 2023. As at the balance sheet date, the unused portion that can be used for up to ten years starting from 2017 amounted to CZK 961,703 thousand (EUR 38,186 thousand).

As at the balance sheet date, PENAM, a.s. had an approval of investment incentives in the form of tax relief up to CZK 155,500 thousand provided by the Ministry of Industry and Trade for which the terms and conditions for withdrawal have been met. The company claimed tax relief in the amount of CZK 61,264 and CZK 54,407 thousand in 2024 and 2023, respectively. The unused portion of the investment incentive amounts to CZK 29,999 thousand as at 31 December 2024. The income tax relief can be claimed in 2026 at the latest.

As at 31 December 2024, Pekárna Zelená louka, a.s. had an approval of the Ministry of Industry and Trade for investment incentives in the form of tax relief up to CZK 81,600 thousand which can be claimed by 2026 at the latest; the company satisfied the requirements for an amount of CZK 63,395 thousand. The Company used the incentive totaling CZK 8,831 thousand and CZK 7,572 thousand in 2024 and 2023, respectively. The unused portion of the incentive as at 31 December 2024 was CZK 45,835 thousand.

As at 31 December 2024, NT Kft. had an approval of the Hungarian Ministry of Finance for a development tax relief up to CZK 362,675 thousand (HUF 5,925,095 thousand) at current prices. However the Company was additionally provided also with investment subsidy that resulted in reduction of the tax relief to CZK 231,253 thousand (HUF 3,778,032 thousand) at current prices. The Company used the relief totaling CZK 4,120 thousand (HUF 67,313 thousand) at current prices in 2024. In 2023, the company did not use any tax relief under this incentive. The unused portion that can be claimed until 2034, amounted to CZK 62,109 thousand (HUF 1,014,687 thousand) at current prices.

As at the balance sheet date, Fatra, a.s., had an approval of investment incentives in the form of tax relief up to CZK 342,752 thousand provided by the Ministry of Industry and Trade for which the terms and conditions for withdrawal have been met and which can be claimed up to 2029. This company did not use the investment incentives by 31 December 2024.

## 31 Commitments and Contingencies

The Group's commitments, contingent liabilities and contingent assets, which are not shown on the balance sheet include, in particular small fixed assets, particularly guarantees received from third parties (mainly banks in relation to business and investment activities), contract liabilities towards suppliers of constructions and technologies, secured receivables for the sale of products and services, customs guarantees and similar arrangements relating to standard operations of Group companies. Significant asset and liability items not shown on the balance sheet include (the amounts pertaining to foreign subsidiaries were translated into CZK using the exchange rate valid as at the balance sheet date, see accounting policy in Note 2.8):

As at 31 December 2024, Duslo, a.s. had received guarantees issued by business partners in the amount of CZK 413,870 thousand (EUR 16,433 thousand). The received guarantees related to a guarantee in the warranty period, a guarantee for advance payment and a guarantee for good execution of the work. Guarantees provided for Duslo, a.s. in the form of bank guarantees amounted to CZK 206,319 thousand (EUR 8,192 thousand).

As at 31 December 2024, guarantees were provided for AGF Energy, a.s. in the form of bank guarantees in the amount of CZK 155,178 thousand. The purpose of these bank guarantees was to secure meeting the payment obligations to electricity and gas suppliers, distribution companies and the electricity market operator.

As at 31 December 2024, UNILES, a.s. had bank guarantees in the amount of CZK 328,450 thousand for a period of 15 months with periodic renewal in connection with complex forestry contracts.

As at 31 December 2024, PRECHEZA a.s. had bank guarantees received of CZK 92,175 thousand, issued by business partners.

As at 31 December 2024, AGROTEC a.s. had off-balance sheet liabilities from open stand-by letters of credit in the amount of CZK 327,405 thousand and off-balance sheet liabilities from granted bank guarantees in the amount of CZK 100,298 thousand.

As at 31 December 2024, LAT Nitrogen Linz GmbH had received bank and other guarantees of CZK 126,674 thousand (EUR 5,030 thousand), issued by business partners.

Guarantees provided for LAT Nitrogen France SAS in the form of bank guarantees amounted to CZK 451,160 thousand (EUR 17,914 thousand) as at 31 December 2024. These mainly included guarantees in favour of the customs office.

As at 31 December 2024, GreenChem Holding B.V. had contractual commitments suppliers of services in the total amount of CZK 496,060 thousand (EUR 19,697 thousand).

As at 31 December 2024, Lieken Brot- und Backwaren GmbH and Quality Bakers had contractual commitments to suppliers for raw material purchases totalling CZK 3,087,187 thousand (EUR 122,580 thousand) and CZK 141,703 thousand (EUR 5,626 thousand), respectively.

As at 31 December 2024, SKW Stickstoffwerke Piesteritz GmbH reported contractual obligations totaling CZK 6,093,556 thousand (EUR 241,952 thousand) to suppliers for purchasing of services, emission allowances, guarantees of origin for gas and purchase of electricity from renewable sources. In addition the company reported long-term contracts with customers for the supplies of goods at the value of CZK 520,070 thousand (EUR 20,650 thousand). Its subsidiary, AGROFERT Deutschland GmbH, had contractual commitments of CZK 95,775 thousand (EUR 3,803 thousand) towards suppliers of services.

As at 31 December 2024, the following representative Group companies had significant contractual commitments arising from existing contracts for future acquisition of non-current assets:

| **Group company** | **(In CZK thousands)** |
|---|---:|
| SKW Stickstoffwerke Piesteritz GmbH | 918,689 |
| Vodňanská drůbež, a.s. | 773,106 |
| Duslo, a.s. | 587,701 |
| Quality Bakers GmbH | 285,215 |
| PRECHEZA a.s. | 244,781 |
| DEZA, a.s. | 202,390 |
| Lovochemie, a.s.186,281Lovochemie, a.s. | 186,281 |
| SPV Pelhřimov, a.s. | 169,999 |
| PROFROST a.s. | 110,000 |

Tax issues relevant to Group companies are addressed by a number of laws. This primarily applies to value added tax (VAT), corporate income tax, personal income tax, excise duty and certain other taxes. Historically, these laws may only be in force for a short time or may undergo amendments, so often they are inadequately tested in practice. Views frequently differ as to how individual statutes should be interpreted and there is a lack of precedent that may serve as guidance. This gives rise to ambiguity and disputes. The tax positions of Group companies (including matters pertaining to corporate structure and related-party transactions) are subject to review by a number of government authorities entitled, by law, to impose fines and penalties. The degree of this uncertainty cannot be quantified and will only cease once the relevant precedents and official interpretations of government authorities are available. Group management believes tax obligations were correctly reported in the accompanying financial statements. Nonetheless, should the tax position of a Group company be challenged for any reason by the tax office, that company could find itself having to pay tax obligations, which could negatively impact the Group's financial position and operating result.

## 32 Potential Environmental Obligations

The Group companies have the following potential environmental obligations:

On 24 October 2011, the National Council of the Slovak Republic approved Act No. 409/2011 Coll. on environmental burdens, which entered into force on 1 January 2012. Historical contamination of the soil and rock environment above certain criteria is considered an environmental burden. The database of identified priority environmental burdens includes the hazardous waste landfill in Trnovec nad Váhom ("RSTO", controlled landfill of solid waste), managed and operated by Duslo, a.s. until 17 July 2009. According to the above Act, for landfills that were operated in accordance with valid permits, the obliged person responsible for the remediation of the landfill will be the State through the relevant Ministry, rather than the current owner. As a result, Duslo, a.s. will not be obliged to ensure and finance the remediation of the landfill pursuant the Environmental Burden Act; the company nevertheless remains responsible for the closure and restoration and recultivation of RSTO pursuant to the Waste Management Act and the State will bear any remediation of the associated environmental burdens. As at 31 December 2024, Duslo, a.s. reports a provision for the closure and recultivation of the landfill and for other environmental burdens in the amount of CZK 457,133 thousand (EUR 18,151 thousand) (31 December 2023: CZK 441,094 thousand (EUR 17,840 thousand)), see Note 19. The amount of the provision for the closure of the landfill as at 31 December 2024 was determined on the basis of a project prepared by an expert and represents the best estimate of the present value of the future outflow of funds that the company will have to suffer in connection with the landfill. The calculation of the provision was based on the estimated use and consumption of various types of construction materials, unit prices of materials and the estimated cost of work involved in the closure and recultivation of the landfill.

Other companies are not aware of any more significant future obligations relating to damage caused by previous activities or obligations connected with the prevention of potential future damage.

## 33 Court and Other Disputes

Duslo, a.s. is a party to a 1997 lawsuit concerning patent infringement, in which Istrochem, a.s. (of which Duslo, a.s. is the legal successor) was the second-party defendant. The first-party defendant filed a counterclaim for damages against Duslo, a.s. in 2021 (for loss caused by its entry into liquidation). On the basis of the judgment of the court of first instance, Duslo, a.s. was obliged to pay a total amount of EUR 30,826 thousand as principal and interest on late payment to compensate for damages. On 11 March 2022, Duslo, a.s. appealed against the judgment of the court of first instance. On 18 September 2023, the Court of Appeal issued a decision by which it altered the decision of the Court of First Instance in respect of Duslo, a.s., ordering the payment of EUR 176 thousand and EUR 12 thousand as interest on late payment calculated at the end of October 2023. Plaintiff was entitled to recover costs of proceedings in the amount of EUR 19.5 thousand from Duslo, a.s. Plaintiff filed an appellate review in February 2024. Due to persisting uncertainty, Duslo, a.s. continues to recognize a provision for the litigation as at 31 December 2024, see Note 19.

On 29 June 2023 the Antimonopoly Office of the Slovak Republic delivered a decision imposing two fines in a total of EUR 21 million on AGROFERT, a.s. for an alleged breach of the obligation to notify a concentration and for the exercise of rights and obligations arising from the concentration in connection with gaining a control of two Slovak bakeries, PRVÁ BRATISLAVSKÁ PEKÁRENSKÁ a.s. and P E Z A a.s. AGROFERT, a.s. filed an appeal against this decision. On 18 September 2024, the Council of the Antimonopoly Office of the Slovak Republic as a body of second instance confirmed to a full extent a decision imposing the fines. On 7 October 2024, regarding this case AGROFERT, a.s. filed an administrative action with the Bratislava court demanding to rescind, as unlawful, the concerned decisions of the Office. On the grounds that the Office's decision on imposing the fines became valid, AGROFERT, a.s. was forced to pay the fine. AGROFERT, a.s. reported a provision for litigation, see Note 19.

As at the date of the preparation of the consolidated financial statements, the Group is not a party to any other significant pending litigation and claims that were relevant in six months period ending 31 December 2024.

## 34 Auditor's Fees

| (In CZK thousands) | 2024 | 2023 |
|---|---|---|
| Statutory audit of financial statements including the audit of consolidated financial statements | (82,650) | (83,203) |
| Other assurance services | (13,084) | (12,665) |
| Tax advisory | (14,690) | (13,357) |
| Other non-audit services | (1,494) | (1,593) |
| **Total** | **(111,918)** | **(110,818)** |

## 35 Effects of the War in Ukraine

The management of the Group has assessed the impact of the war in Ukraine on its business and is not aware of any direct significant negative impacts on the Group´s financial position and business results.

## 36 Subsequent Events

The following significant subsequent events occurred after the balance sheet date:

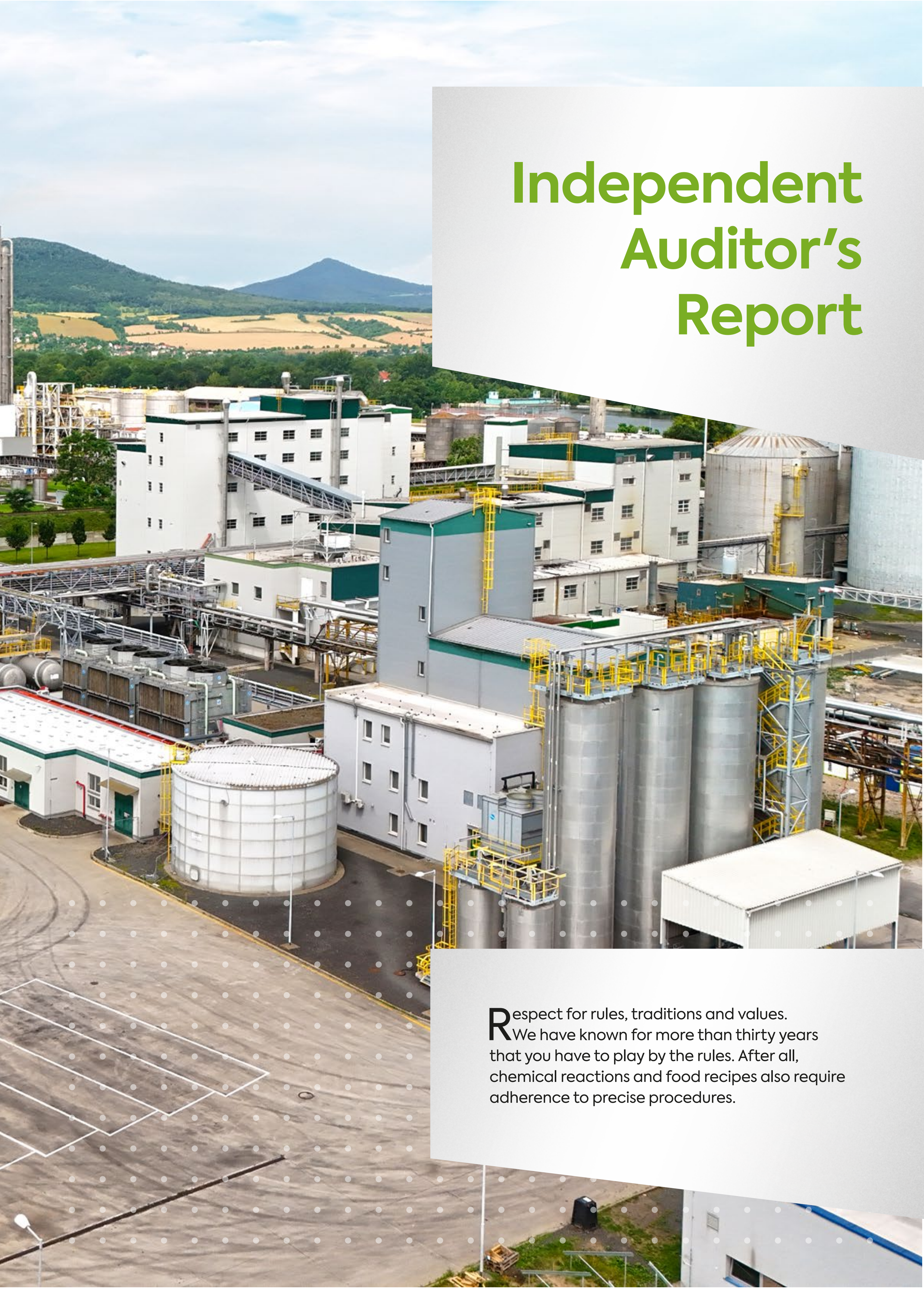
On 9 September 2024, AGROFERT a.s., as the seller, entered into a contract with RHEA VENTURES EAD, as the buyer, to sell a 100% ownership interest in Feboran EOOD. The closing of the transaction was subject to regulátory approvals. As of 31 December 2024, the related assets were reclassified to assets classified as held for sale, see Note 9. The transaction was settled on 10 January 2025.

Subsequent to the balance sheet date, certain Group companies received exemptions from creditors for non-performance of financial ratios on loans, totalling CZK 1,910,950 thousand (see Note 16).

These consolidated financial statements have been authorized for issue in Prague on 24 April 2025.

**Josef Mráz**
Board of Directors Vice-Chairman

**Petra Procházková**
Board of Directors Member



# Independent Auditor's Report

Respect for rules, traditions and values. We have known for more than thirty years that you have to play by the rules. After all, chemical reactions and food recipes also require adherence to precise procedures.

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(Translation of a report originally issued in Czech)

To the Shareholders of AGROFERT, a.s.:

**Opinion**

We have audited the accompanying consolidated financial statements of AGROFERT, a.s. (hereinafter also the "Company"; together with subsidiaries "the Group") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information. For details of the Company, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

**Basis for Opinion**

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

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**Responsibilities of the Company's Board of Directors and the Audit Committee for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

A member firm of Ernst & Young Global Limited
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto,
has been incorporated in the Commercial Regist er administered by the Municipal Court in Prague,
Section C, entry no. 88504, under Identification No. 26704153.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and with the Audit Committee 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.

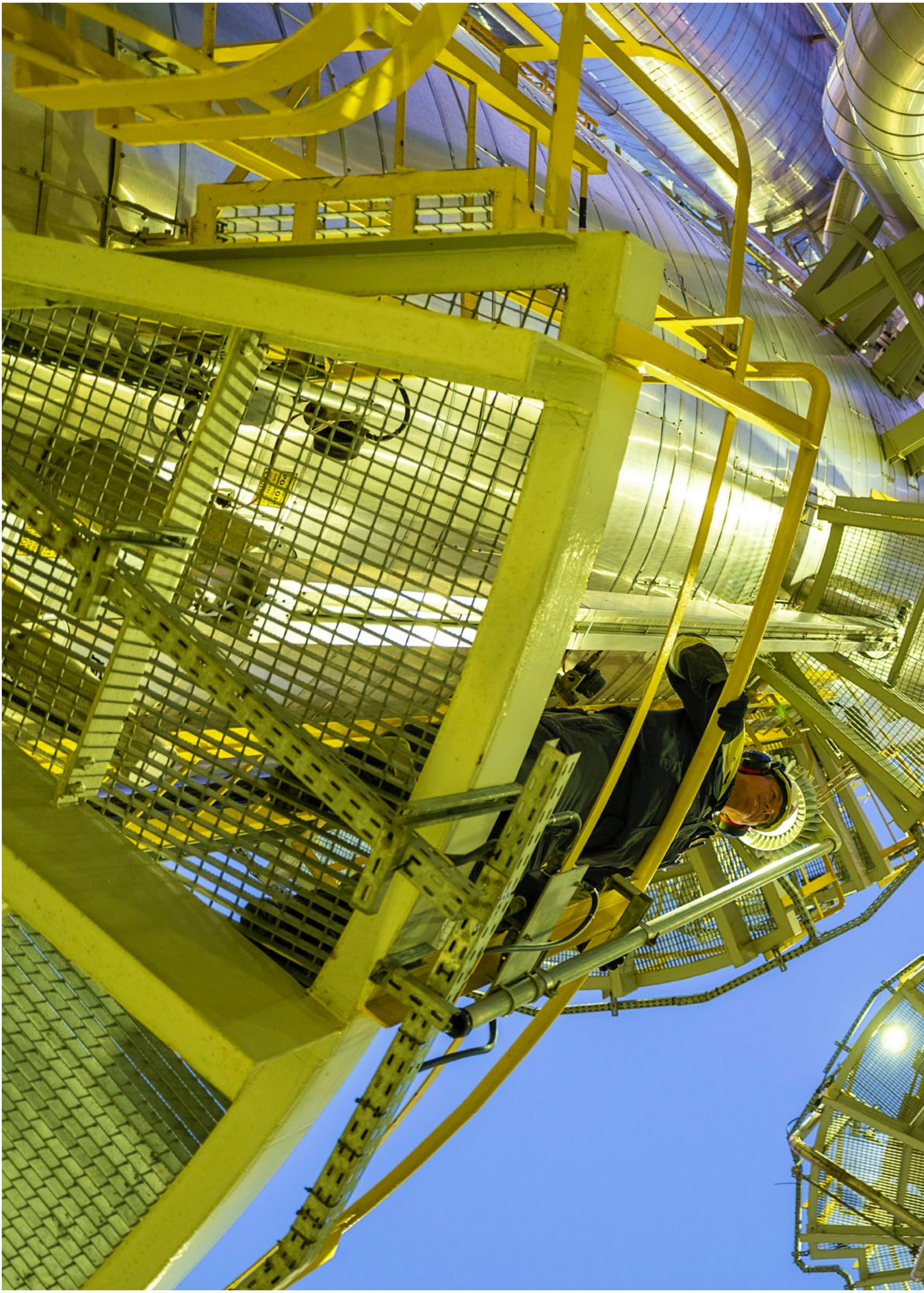
**Ernst & Young Audit, s.r.o.**
License No. 401

**Martin Skácelík**, Auditor
License No. 2119

24 April 2025
Prague, Czech Republic


AGROFERT
Annual Report
2024


AGROFERT



**AGROFERT, a.s.**

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