



06 September 2024, Limassol, Cyprus

MHP SE

Financial Results for the Second Quarter and Six Months ended 30 June 2024

MHP SE (LSE:MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, today announces its audited results for the second quarter and six months ended 30 June 2024. Hereinafter, MHP SE and its subsidiaries are referred to as "MHP", "The Company" or "The Group".

WAR IN UKRAINE

Whilst the ongoing War continues to impact MHP's operations, the Company has been able to adapt to the challenges of operating in wartime.

As of today, over 3,000 employees have been mobilised to the Armed Forces of Ukraine. Supporting our mobilised colleagues and re-integrating our veterans back into civilian life remains a key part of our strategy and a focus of specific Company programmes. The safety of our employees remains our primary concern as MHP seeks to maintain continuity in its business operations, overcoming disruptions and solving problems caused by the War. Over the last 2.5 years, we have learned how to react quickly to unforeseen external factors and swiftly adapt to new business conditions.

Irregular and frequent drone and rocket attacks against civilian, energy and other infrastructure targets have resulted in a challenging and disruptive operational environment, leading to unforeseen war-related costs. In 6M 2024, war-related costs and losses amounted to US 26 million (6M 2023: US 13 million).

MHP continues to invest in alternative energy sources - to mitigate operational disruptions caused by Russia's targeting of Ukraine's national grid and energy sector. If energy disruptions lead to a complete black out in Ukraine, MHP will not be able to operate at full capacity and its operations will face a significant increase in production cost, which will negatively impact financial results.

MHP would like to inform its stakeholders that at the date of publication, all currently operational Company's production facilities in Ukraine continue to operate at close to full capacity and none (out of operational facilities) of the Company's directly owned assets have suffered significant physical damage from the recent Russian bombing terror.

Unfortunately, as a result of shelling by the occupying forces on May 17, in Odesa region, a warehouse partly leased by the Company to store frozen MHP chicken meat products was completely destroyed, resulting in the loss of poultry products worth around US 7 million.

Considering the fast moving nature of the War, MHP can give no concrete assurances that its production facilities and associated infrastructure will not be targeted or adversely affected in the future. In the event of future attacks the Group is fully prepared to respond immediately - taking all necessary actions to protect its employees and to rebuild, restore and restart production in the shortest time possible.

Despite the ongoing challenges, our commitment to ensuring sustainable development remains at the heart of all our economic activities. As a pioneering and innovative leader in biogas and bioenergy fields in Ukraine, MHP is constantly working on boosting our energy independence and resilience by integrating more renewable energy sources into our energy mix.

The Ukrainian agricultural sector has been severely impacted by the War. As a result, MHP is a crucial 'cog' in maintaining both domestic & international food security. Despite the challenges created by the War, MHP is determined to continue supporting the Ukrainian economy - over the first half of 2024, MHP enterprises transferred

almost US 90 million (UAH 3.7 billion), 40% more y/y, to the state budget in the form of taxes, contributions and fees.

MHP remains incredibly grateful for the support and patience of our investors who have supported the Group as it navigated the most difficult period in Ukraine's history.

CHANGE IN PRESENTATION OF SEGMENT INFORMATION

To accurately reflect the diverse nature of the Group's business operations and improve disclosure, MHP has, since Q3 2023, implemented changes to its presentation of business segment information, including:

- the introduction of a new Vegetable Oil Operations Segment, which represents production and sales of vegetable oil and related products. In Q2 2023 and 6M 2023, these activities were included in the Poultry and Related Operations Segment as by-products of mixed fodder production for poultry;
- the inclusion of meat processing and other meat (previously reported within the Meat Processing and Other Agricultural Operations Segment) in the Poultry and Related Operations Segment, given that the meat processing and other meat operations represent less than 10% of the Group's revenue and have similar characteristics to the poultry operations; and
- combining grain-growing operations (presented as a separate segment in Q2 2023 and 6M 2023) and milk cattle farming (previously included within the Meat Processing and Other Agricultural Operations Segment) into a revised reportable segment called Agriculture Operations.

The corresponding segment information for the Q2 2023 and 6M 2023 has been restated to ensure comparability. Overviews of each of the Business Segments are provided below ahead of the respective Segment's financial and operational results.

OPERATIONAL HIGHLIGHTS

Q2 2024

- Poultry meat production volume in Ukraine remained stable y/y at 187,414 tonnes (Q2 2023: 181,690 tonnes). Poultry meat production volumes of the European Operating Segment (PP) was up to 35,460 tonnes (Q2 2023: 33,306 tonnes).
- MHP Ukraine's average poultry meat price remained stable at US 1.97 per kg (Q2 2023: US 1.97 per kg) excluding VAT. The average price of poultry meat produced by PP remained almost unchanged y/y at EUR 3.54 per kg (Q2 2023: EUR 3.64 per kg).
- Poultry meat exports from Ukraine decreased by 12% to 87,799 tonnes (Q2 2023: 100,234 tonnes).

6M 2024

- Poultry meat production volume in Ukraine remained stable y/y at 365,901 tonnes (6M 2023: 359,332 tonnes). Poultry meat production volumes at PP increased by 7% y/y to 69,418 tonnes (6M 2023: 65,087 tonnes).
- MHP Ukraine's average poultry meat price remained almost unchanged y/y at US 1.98 per kg (6M 2023: US 1.92 per kg) excluding VAT. The average price of poultry meat produced by PP also remained almost unchanged y/y at EUR 3.49 per kg (6M 2023: EUR 3.58 per kg).
- Poultry meat exports from Ukraine decreased by 12% y/y to 185,854 tonnes (6M 2023: 212,106 tonnes).

FINANCIAL HIGHLIGHTS

Q2 2024

- Revenue decreased by 5% y/y to US 770 million (Q2 2023: US 809 million).
- Export revenue remained stable at US 503 million, 65% of total revenue (Q2 2023: US 508 million, 63% of total revenue).
- Operating profit of US 108 million increased by 59% y/y and operating margin increased to 14% y/y (Q2 2023: US 68 million and 8% respectively).
- Adjusted EBITDA (net of IFRS 16) increased by 44% y/y at US 145 million (Q2 2023: US 101 million) primarily driven by improved performance in Agriculture operations; adjusted EBITDA margin (net of IFRS 16) also increased to 19% y/y (Q2 2023: 12%).
- Net profit increased to US 29 million, compared to US 17 million for Q2 2023.

6M 2024

- Revenue decreased to US 1,489 million, down by 4% y/y (6M 2023: US 1,555 million).
- Export revenue remained stable at US 954 million y/y, representing 64% of total revenue (6M 2023: US 973 million, 63% of total revenue).
- Operating profit increased to US 192 million, up by 26% y/y (6M 2023: US 152 million) and operating margin increased to 13% (6M 2023: 10%).
- Adjusted EBITDA (net of IFRS 16) increased by 21% y/y to US 264 million (6M 2023: US 218 million) mainly due to better results delivered by Agriculture operations; adjusted EBITDA margin (net of IFRS 16) also increased to 18% from 14%.

- Net profit of US 45 million (6M 2023: US 67 million), primarily reflecting a US 81 million non-cash foreign exchange loss in 6M 2024 compared with US 5 million foreign exchange gain in 6M 2023.

FINANCIAL OVERVIEW

(in mln. US, unless indicated otherwise)	Q2 2024	Q2 2023	% change ¹⁾	6M 2024	6M 2023	% change ¹⁾
Revenue	770	809	-5%	1,489	1,555	-4%
IAS 41 standard gain/(loss)	21	(39)	154%	31	(76)	141%
Gross profit	208	150	39%	378	294	29%
Gross profit margin	27%	19%	8pps	25%	19%	6pps
War-related expenses	(16)	(7)	129%	(26)	(13)	100%
Operating profit	108	68	59%	192	152	26%
Operating profit margin	14%	8%	6pps	13%	10%	3pps
Adjusted EBITDA	153	109	40%	280	233	20%
Adjusted EBITDA margin	20%	13%	7pps	19%	15%	4pps
Adjusted EBITDA (net of IFRS 16)	145	101	44%	264	218	21%
Adjusted EBITDA margin (net of IFRS 16)	19%	12%	7pps	18%	14%	4pps
Net profit / (loss)	29	17	71%	45	67	-33%
Net profit/(loss) margin	4%	2%	2pps	3%	4%	-1pps

1) pps - percentage points

Average official FX rate for Q2: UAH/US 39.85 in 2024 and UAH/US 36.57 in 2023.

Average official FX rate for 6M 2024 UAH/US 39.01 and for 6M 2023 UAH/US 36.57.

DIAL-IN DETAILS

MHP's management will host a conference call for investors and analysts followed by Q&A on the day of the results.

The dial-in details are:

Time:	13.00 London / 15.00 Kyiv / 08.00 New York
Title:	Financial results for Q2 2024 and 6M 2024
UK:	+44 203 984 9844
Ukraine:	+380 89 324 0624
USA:	+1 718 866 4614
PIN code:	645982

To follow the presentation with the management team, please use the following link:

<https://mm.closir.com/slides?id=645982>

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Segment Performance

Poultry and processed meat and related operations

Poultry meat

(in tonnes, unless indicated otherwise)		Q2 2024	Q2 2023	% change y/y ¹⁾	Q1 2024	% change q/q ²⁾	6M 2024	6M 2023	% change ³⁾
Sales volume of poultry meat¹⁾		163,128	174,408	-6%	164,087	-1%	327,215	357,529	-8%
Export sales		87,799	100,234	-12%	98,055	-10%	185,854	212,106	-12%
Domestic sales		75,329	74,174	2%	66,032	14%	141,361	145,423	-3%
Portion of export sales, %		54%	57%	-3pps	60%	-6pps	57%	59%	-2pps
Average price per 1 kg net of VAT, USD		1.97	1.97	0%	1.99	-1%	1.98	1.92	3%

¹⁾ Poultry meat consists of raw and unprocessed parts of chicken, meat after minor processing, meat after grinding and chicken meat with the addition of spices (marinated meat)

²⁾ pps - percentage points

The total volume of poultry meat sold to third parties in 6M 2024 decreased by 8% y/y to 327,215 tonnes (6M 2023: 357,529 tonnes) mainly as a result of a significant decrease in export sales in 6M 2024.

Processed poultry meat

(in tonnes, unless indicated otherwise)		Q2 2024	Q2 2023	% change y/y ¹⁾	Q1 2024	% change q/q ²⁾	6M 2024	6M 2023	% change ³⁾
Sales volume of processed meat¹⁾		10,671	8,992	19%	9,715	10%	20,386	17,163	19%
Export sales		3,045	900	238%	2,429	25%	5,474	1,961	179%
Domestic sales		7,626	8,092	-6%	7,286	5%	14,912	15,202	-2%
Portion of export sales, %		29%	10%	19pps	25%	4pps	27%	11%	16pps
Average price per 1 kg net of VAT, USD		2.89	2.76	5%	2.91	-1%	2.90	2.80	4%

¹⁾ Processed meat consists of meat after significant processing (added supplements like vegetables or breading), pre-cooked and ready-to-eat meat

²⁾ pps - percentage points

Total sales volume of processed poultry meat increased by 19% y/y to 20,386 tonnes in 6M 2024 compared to 17,163 tonnes in 6M 2023 due to the rise in production and the further transformation into a culinary company. The average price increased by 4% to USD 2.90 per kg in 6M 2024 (6M 2023: USD 2.80 per kg) as a result of a change in sales product mix.

Financial result and trends

(in mln. US, unless indicated otherwise)		Q2 2024	Q2 2023	% change y/y ¹⁾	Q1 2024	% change q/q ²⁾	6M 2024	6M 2023	% change ³⁾
Revenue		390	416	-6%	398	-2%	788	831	-5%
- Poultry meat ²⁾		323	359	-10%	336	-4%	660	719	-8%
- Processed meat		31	25	24%	28	11%	58	48	21%
- Complementary products and other sales		36	32	13%	34	6%	70	64	9%
IAS 41 standard gain		10	10	0%	12	-17%	22	13	69%
Gross profit		103	120	-14%	114	-10%	217	212	2%
Gross margin		26%	29%	-3pps	29%	-3pps	28%	26%	2pps
War-related expenses		(10)	(4)	150%	(5)	100%	(15)	(8)	88%
Adjusted EBITDA		72	100	-28%	87	-17%	159	178	-11%
Adjusted EBITDA margin		18%	24%	-6pps	22%	-4pps	20%	21%	-1pps
Adjusted EBITDA (net of IFRS 16)		71	99	-28%	86	-17%	157	177	-11%
Adjusted EBITDA margin (net of IFRS 16)		18%	24%	-6pps	22%	-4pps	20%	21%	-1pps

¹⁾ pps - percentage points

²⁾ Revenue from poultry meat includes sales of offal, which doesn't include in table regarding sales volume and prices of poultry meat

In 6M 2024, revenue decreased by 5% y/y as a result of the sales volume decrease of poultry meat mainly on export markets, partly offset by slightly higher prices.

Gross profit in 6M 2024 at US 217 million remained mainly unchanged y/y, while adjusted EBITDA (net of IFRS 16)

decreased to US 157 million mainly as a result of increase in selling, general and administrative expenses as well as higher war related expenses.

Vegetable Oil Operations

Vegetable oil

(in tonnes, unless indicated otherwise)	Q2 2024	Q2 2023	% change y/y	Q1 2024	% change q/q	6M	6M	% change
						2024	2023	
Sales volume of sunflower oil	118,830	168,677	-30%	110,440	8%	229,270	245,878	-7%
Sales volume of soybean oil	12,071	13,630	-11%	11,747	3%	23,818	28,030	-15%

In 6M 2024 MHP's sales of sunflower oil decreased by 7% y/y compared to 6M 2023 to 229,270 tonnes, mainly driven by an decrease in production of sunflower cake.

Sales of soybean oil decreased by 15% y/y to 23,818 tonnes in 6M 2024, compared with 28,030 tonnes in 6M 2023 but were stable compared to the previous quarter.

Financial result and trends

(in mln. US, except margin data)	Q2	Q2	% change	Q1 2024	% change	6M	6M	% change ¹⁾
	2024	2023	y/y ¹⁾			2024	2023	
Revenue	120	216	-44%	116	3%	236	345	-32%
- Vegetable oil	115	210	-45%	112	3%	227	326	-30%
- Related products ²⁾	5	6	-17%	4	25%	9	19	-53%
Gross profit	15	28	-46%	13	15%	28	49	-43%
Gross margin	13%	13%	Opps	11%	2pps	12%	14%	-2pps
Adjusted EBITDA	14	27	-48%	13	8%	27	50	-46%
Adjusted EBITDA margin	12%	13%	-1pps	11%	1pps	11%	14%	-3pps
Adjusted EBITDA (net of IFRS 16)	14	26	-46%	12	17%	27	48	-44%
Adjusted EBITDA margin (net of IFRS 16)	12%	12%	Opps	10%	2pps	11%	14%	-3pps

1) pps - percentage points;

2) Related products consist of meal, cake, husk.

The segment's revenue in 6M 2024 decreased by 32% y/y to US 236 million, resulting in lower adjusted EBITDA (net of IFRS 16) of US 27 million compared to US 48 million in 6M 2023 as a result of decline in oil prices.

Agriculture operations

Winter crops (wheat, rapeseeds and other) harvesting is complete on around 93,500 ha of land:

- rapeseeds - around 34,300 ha with around 3.6 t/ha yield;
- wheat - around 39,700 ha with around 7.2 t/ha yield.

Yields of spring crops are expected to be better than in 2023 due to favorable weather conditions in Ukraine. In 2024, MHP is planning to harvest around 344,700 ha of land.

Financial result and trends

(in mln. US, unless indicated otherwise)	6M 2024	6M 2023	% change
Revenue	184	112	64%
IAS 41 standard loss	13	(86)	115%
Gross profit	61	(32)	291%
War-related expenses	(1)	-	100%
Adjusted EBITDA	82	(15)	647%
Adjusted EBITDA (net of IFRS 16)	69	(26)	365%

Agriculture Operations Segment's revenue in 6M 2024 amounted to US 184 million compared to US 112 million in 6M 2023. The increase was mainly attributable to higher volumes of corn sales on the export market.

For 6M 2024, the IAS 41 standard showed a gain of US 13 million, in contrast to a loss of US 86 million in 6M 2023. This substantial loss in 2023 was mainly due to derecognition of the revaluation of agriculture produce, which was carried at a fair value higher than the production cost and had been consumed and sold. In 2024, the difference between fair value and cost is much smaller, so this effect is not material.

In the first half of 2023, MHP faced a significant negative revaluation of crops in the fields, which led to a loss under IAS 41 and adversely impacted our EBITDA. However, the first half of 2024 marked a positive shift when rising grain and milk prices have increased the fair value of biological assets, boosting segment performance.

In addition, a substantial portion of the positive EBITDA for the first half of 2024 is attributable to agricultural produce

In addition, a substantial portion of the positive EBITDA for the first half of 2024 is attributable to agricultural produce from the previous year's harvest. This is due to the use of higher current market prices for intersegment and external sales, compared to the lower prices applied to the previous year's harvest.

European Operating Segment (PP)

Poultry ¹⁾	Q2	Q2	%	Q1	% change	6M	6M	%
	2024	2023	change			2024	2023	change
Sales volume, third parties tonnes	22,405	20,895	7%	21,102	6%	43,507	39,111	11%
Price per 1 kg net VAT, EUR	3.54	3.64	-3%	3.44	3%	3.49	3.58	-3%

¹⁾ Poultry meat consists of raw and unprocessed parts of chicken, meat after minor processing, meat after grinding and chicken meat with the addition of spices (marinated meat)

In 6M 2024, poultry meat sales of the European Operating Segment increased by 11% to 43,507 tonnes. This growth was driven by an increase in sales in Slovenia, Bosnia and Herzegovina, and Serbia, as a result of strategic focus on expanding market presence and boosting sales in these regions.

Processed meat ¹⁾	Q2	Q2	%	Q1	% change	6M	6M	%
	2024	2023	change			2024	2023	change
Sales volume, third parties tonnes	11,963	11,291	6%	11,397	5%	23,360	22,013	6%
Price per 1 kg net VAT, EUR	3.37	3.33	1%	3.37	0%	3.37	3.32	2%

¹⁾ includes sausages and convenience foods

Meat processing product sales were up by 6% y/y to 23,360 tonnes in 6M 2024 (6M 2023: 22,013 tonnes) due to increase in production volumes of sausages and convenience products.

Financial result and trends

(in mln. US, except margin data)	Q2	Q2	%	Q1	% change	6M	6M	%
	2024	2023	change			2024	2023	change ¹⁾
Revenue	145	142	2%	136	7%	281	267	5%
IAS 41 standard gains	(1)	(5)	-80%	(3)	-67%	(4)	(3)	33%
Gross profit	42	33	27%	30	40%	72	65	11%
Gross margin	29%	23%	6pps	22%	7pps	26%	24%	2pps
Adjusted EBITDA	29	20	45%	19	53%	48	39	23%
Adjusted EBITDA margin	20%	14%	6pps	14%	6pps	17%	15%	2pps
Adjusted EBITDA (net of IFRS 16)	29	19	53%	18	61%	47	38	24%
Adjusted EBITDA margin (net of IFRS 16)	20%	13%	7pps	13%	7pps	17%	14%	3pps

¹⁾ pps - percentage points.

European Operating Segment's revenue in 6M 2024 increased by 5% y/y to US 281 million (6M 2023: US 267 million), due to the increase in sales volumes of both poultry meat and processed meat.

Adjusted EBITDA (net of IFRS 16) of US 47 million for 6M 2024 increased compared with US 38 million for 6M 2023 due to higher gross profit result.

Current Group cash flow

(in mln. US)	Q2 2024	Q2 2023	6M 2024	6M 2023
Cash from operations	77	108	167	206
Change in working capital	(36)	70	(24)	68
Net Cash from operating activities	41	178	143	274
Cash used in investing activities	(100)	(66)	(165)	(101)
<i>Including:</i>				
CAPEX ¹⁾	(77)	(53)	(134)	(92)
Acquisition of subsidiaries and investments in associates	(16)	-	(16)	-
Cash from financing activities	(40)	32	(113)	18
Total change in cash²⁾	(99)	144	(135)	191

¹⁾ Calculated as cash used for Purchases of property, plant and equipment plus cash used for purchases of other non-current assets

²⁾ Calculated as Net Cash from operating activities plus Cash used in investing activities plus Cash used in financing activities

Cash flow from operations before changes in working capital for 6M 2024 decreased to US 167 million (6M 2023: US 206 million), mainly as a result of the lower profit before tax.

The investments in working capital during 6M 2024 compared to release during 6M 2023 was mainly attributed to

significant release or inventories of sunflower seeds and vegetable oil during 6M 2023 from the unusually high levels at the end 2022, caused by disrupted logistics due to War activities, that has partly recovered afterward due to the Grain deal and diversification of delivery routes by the Group.

In 6M 2024 total CAPEX amounted to US 134 million, marking a significant increase from US 92 million in 6M 2023. This rise is primarily driven by substantial investments in several key areas, including extensive maintenance and modernization of existing facilities and the construction of new bioenergy production facilities. Additional investments were directed toward margin-enhancing projects, advancing our culinary strategy, and meeting evolving compliance requirements. These targeted expenditures are in line with MHP's broader goals of sustainability, efficiency, and long-term growth.

In the first half of 2024, the Group strategically expanded its presence in the agricultural and food sectors through key acquisitions and partnerships. The Group acquired 100% of Toni d.o.o. in Croatia, enhancing its grain supply chain stability, with a net cash outflow of USD 11 million. Additionally, the Group invested USD 4 million for a 24.9% stake in "Ukrainskyi Miasnyi Khutir" in Ukraine and USD 2 million in MHP Desert Hills for Poultry Company in Saudi Arabia, reflecting its commitment to diversifying its operations and securing new growth opportunities.

Debt Structure and Liquidity

(in mln. US)	30 June 2024	30 June 2023	31 December 2023
Total Debt^{1) 2)}	1,474	1,539	1,537
LT Debt ¹⁾	1,365	1,007	1,141
ST Debt ¹⁾	190	725	499
Trade credit facilities ²⁾	(81)	(193)	(103)
Cash and bank deposits	(294)	(502)	(436)
Net Debt¹⁾	1,180	1,037	1,101
LTM Adjusted EBITDA ¹⁾	490	449	445
<i>Net Debt / LTM Adjusted EBITDA¹⁾</i>	<i>2.41</i>	<i>2.31</i>	<i>2.47</i>

1) Net of IFRS 16 adjustments: as if any lease that would have been treated as an operating lease under IAS 17 as was in effect before the 1 January 2019, is treated as an operating lease for purposes of this calculation. In accordance with covenants in MHP's bond and loan agreements, these data exclude the effects of IFRS 16 on accounting for operating leases.

2) Indebtedness under trade credit facilities that is required to be repaid within 12 months of drawdown should be excluded for purposes of this calculation

As of 30 June 2024, MHP's cash and cash equivalents amounted to US 294 million, of which US 123 million was held by the Group's subsidiaries outside Ukraine.

The Net Debt / LTM adjusted EBITDA (net of IFRS 16) ratio was 2.41 as of 30 June 2024, well below the limit of 3.0 defined in the Eurobond agreement.

As of 30 June 2024, the share of long-term debt in the total outstanding debt was 93%.

Notes to Editors:

About MHP

MHP SE is the parent company of a leading international food & agrotech group with headquarters in Ukraine and also in the Balkans (Perutnina Ptuj Group).

Ukraine: MHP has the greatest market share and the highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of nine distribution and logistical centers, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn to support the vertical integration of its chicken production and increasingly other grains such as wheat and rye for sale to third parties. MHP leases agricultural land

production and increasingly other grains, such as wheat and raps, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

The Balkans: Perutnina Ptuj is a leading poultry and meat-processing producer in the Balkans, has production assets in four Balkan countries: Slovenia, Croatia, Serbia, Bosnia and Herzegovina; owns distribution companies in Austria, North Macedonia and Romania and supplies products to 15 countries in Europe. Perutnina Ptuj is a vertically integrated company across all stages of chicken meat production - feed, hatching eggs production and hatching, breeding, slaughtering, sausages and further poultry processing production.

MHP trades on the London Stock Exchange under the ticker symbol MHPC since 2008.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP SE. Such statements do not guarantee that these are actions to be taken by MHP SE in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP SE does not intend to change these statements to reflect actual results.

MHP SE AND ITS SUBSIDIARIES

Interim condensed consolidated Financial Statements

As of and for the three-month and six-month period

CONTENTS

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS.....	3
MANAGEMENT REPORT.....	4
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION.....	6
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2024	
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	7
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	9
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	10
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	11
1. Corporate information.....	11
2. Basis of preparation and accounting policies.....	12
3. Changes in the group structure.....	15
4. Segment information.....	16
5. Revenue.....	19
6. Profit for the period.....	20
7. Property, plant and equipment.....	20
8. Investments in associates.....	20
9. Inventories, agricultural produce and biological assets.....	21
10. Shareholders' equity.....	21
11. Bank borrowings.....	22
12. Bonds issued.....	24
13. Related party balances and transactions.....	26
14. Operating environment in Ukraine.....	27
15. Contingencies and contractual commitments.....	28
16. Fair value of financial instruments.....	29
17. Risk management policy.....	29
18. Subsequent events.....	31
19. Authorization of the interim condensed consolidated financial statements.....	31

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with Article 10 of the Transparency Requirements (Securities for Trading on Regulated Market) Law 190(I)/2007 ("Law"), as amended, the members of the Board of Directors of MHP SE confirm that to the best of our knowledge:

- (a) The interim condensed consolidated financial statements for the period from 1 January 2024 to 30 June 2024 are presented on pages 7 to 31:
 - i. were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and in accordance with the provisions of Article 10 (4) of the Law, and
 - ii. give a true and fair view of the assets and liabilities, the financial position, and the profits of MHP SE and the businesses that are included in the interim condensed consolidated financial statements as a whole and
- (b) the interim management report gives a fair review of the information required under Article 10 (6) of the Law.

6 September 2024

Members of the Board of Directors:

Chief Executive Officer	Yuriy Kosyuk
Chief Financial Officer	Viktoriia Kapeliushna
Director	John Clifford Rich
Director	Philip J Wilkinson
Director	Andriy Bulakh
Director	Christakis Taoushanis
Director	Oscar Chemerinski

MANAGEMENT REPORT

Key financial highlights

During the six-month period ended 30 June 2024, consolidated revenue decreased by 4% to USD 1,489 million, compared to USD 1,555 million for the six-month period ended 30 June 2023. Export sales for the six-month period ended 30 June 2024 constituted 64% of total revenue at USD 954 million, compared to USD 973 million and 63% of total revenue for the six-month period ended 30 June 2023. The revenue decrease is mainly attributed to reduced contributions from both Poultry and Vegetable Oil segments, but it was partly compensated by higher Agriculture revenue. The decline in Poultry and Vegetable Oil revenue is mainly due to a decrease in volumes of chicken meat and oils, while higher sales volumes and recovery of prices for grains in 2024 positively impacted Agriculture revenue.

Gross profit increased by 29% to USD 378 million for the six-month period ended 30 June 2024 compared to USD 294 million for the six-month period ended 30 June 2023. This growth was driven mainly by higher gross profit generated by Agriculture operations and partial offset by lower results derived from Poultry operations and Vegetable oil segments. Increase of grain and oilseeds prices, leading to higher revaluation of crops in fields in the reporting period, favourably contributed to the results of Agriculture operations.

Operating profit increased by 26% to USD 192 million for the six-month period ended 30 June 2024 compared to USD 152 million for the six-month period ended 30 June 2023. This primarily stems from a rise in gross profit partly offset by heightened payroll-related costs within the selling, general, and administrative expenses as well as war-related costs in other operating costs.

Profit for the six-month period ended 30 June 2024 amounted to USD 45 million, compared to USD 67 million for the six-month period ended 30 June 2023. The decrease is mainly due to depreciation of UAH in relation to foreign currencies during the reporting period, which resulted in a net foreign exchange loss of USD 81 million for the six-month period ended 30 June 2024 compared to a net gain of USD 5 million for the six-month period ended 30 June 2023.

Dividends

In view of continuing War-related uncertainties and the resulting need to preserve liquidity to support the Company's ongoing business operations, the Directors decided not to declare a final dividend for the 2023 financial year. No interim dividend has been declared for the six-month period ended 30 June 2024.

Risks and uncertainties

Russian invasion

On 24 February 2022, Russian forces began a military invasion of Ukraine resulting in a full-scale war across the Ukrainian State (the "War"). Focused on continuity and sustainability of its business and the preservation of value for all stakeholders, the Group has concentrated on two key areas: the safety of its employees and the food security of the country by prioritizing a continuous supply of food to the population of Ukraine.

As a result of the War, MHP has experienced a number of significant disruptions and operational issues within its business, which are described in detail in Note 14 Operating environment. Detailed information on this matter can also be found on pages 202 to 203 of the 2023 Annual Report which is available at mhp.com.cy.

Management believes that the Group has adequate resources to continue in operational existence for the foreseeable future. However, due to the currently unpredictable effects of the ongoing War on the significant assumptions underlying management forecasts, Management concludes that a material uncertainty exists, which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Other risks and uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the 2023 Annual Report on 2 May 2024. A detailed explanation of the risks, and how the Group seeks to mitigate them, can be found on pages 204 to 207 of the Annual Report which is available at mhp.com.cy.

On behalf of the Board:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria Kapeliushna

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the members of MHP SE

Introduction

We have reviewed the interim condensed consolidated financial statements of MHP SE (the "Company"), and its subsidiaries (collectively referred to as "the Group") on pages 7 to 31, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, and the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the interim condensed consolidated financial statements, which indicates that the Group's operations are negatively affected by the Russian Federation's military invasion of Ukraine, with the magnitude of further developments or the timing of their cessation being uncertain. These conditions, along with other matters as set forth in Notes 2 and 14 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Andreas Avraamides
Certified Public Accountant and Registered Auditor
for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, Cyprus
6 September 2024

(in millions of US dollars, unless otherwise indicated)

	Notes	Six-month period ended 30 June		Three-month period ended 30 June	
		2024	2023	2024	2023
Revenue	4, 5	1,489	1,555	770	809
Net change in fair value of biological assets and agricultural produce	4	31	(76)	21	(39)
Cost of sales		(1,142)	(1,185)	(583)	(620)
Gross profit	6	378	294	208	150
Selling, general and administrative expenses		(163)	(134)	(86)	(74)
Other operating income		7	6	4	1
Other operating expenses	14	(30)	(14)	(18)	(9)
Operating profit	6	192	152	108	68
Finance income		14	6	3	4
Finance costs	11, 12	(80)	(80)	(39)	(40)
Foreign exchange (loss)/gain, net		(81)	5	(41)	-
Profit before tax		45	83	31	32
Income tax expenses		-	(16)	(2)	(15)
Profit for the period	6	45	67	29	17
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss:					
Cumulative translation difference		(78)	11	(30)	4
Other comprehensive (loss)/income for the period		(78)	11	(30)	4
Total comprehensive (loss)/income for the period		(33)	78	(1)	21
Profit/(Loss) attributable to:					
Equity holders of the Parent		42	71	25	18
Non-controlling interests		3	(4)	4	(1)
		45	67	29	17
Total comprehensive (loss)/income attributable to:					
Equity holders of the Parent		(36)	82	(5)	22
Non-controlling interests		3	(4)	4	(1)
		(33)	78	(1)	21
Earnings per share					
Basic and diluted earnings/(loss) per share (USD per share)		0.39	0.66	0.23	0.18

On behalf of the Board:

Chief Executive Officer
Kosyuk

Yuriy

Chief Financial Officer

Viktoria Kapeliushna

The accompanying notes on the pages 11 to 31 form an integral part of these interim condensed consolidated financial statements

(in millions of US dollars, unless otherwise indicated)

	Notes	30 June 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,859	1,885
Right-of-use asset		266	248
Intangible assets		71	75
Goodwill	3	69	62
Non-current biological assets		24	16
Investments in associates	8	12	1
Non-current financial assets		11	9
Deferred tax assets		1	2
		2,313	2,298
Current assets			
Inventories	9	277	333
Biological assets	9	349	171
Agricultural produce	9	216	370
Prepayments		29	28
Other current financial assets		42	34
Taxes recoverable and prepaid		52	30
Trade accounts receivable		198	186
Cash and cash equivalents		294	436
		1,457	1,588
TOTAL ASSETS		3,770	3,886
EQUITY AND LIABILITIES			
Equity			
Share capital	10	285	285
Treasury shares		(45)	(45)
Additional paid-in capital		174	174
Revaluation reserve		635	706
Retained earnings		1,906	1,793
Translation reserve		(1,434)	(1,356)
Equity attributable to equity holders of the Parent		1,521	1,557
Non-controlling interests		13	10
Total equity		1,534	1,567
Non-current liabilities			
Bank borrowings	11	443	234
Bonds issued	12	893	891
Lease liabilities	17	201	180
Deferred tax liabilities		109	123
Deferred income		36	36
Other non-current liabilities	6	5	
		1,688	1,469
Current liabilities			
Bank borrowings	11	180	145
Bonds issued	12	-	348
Lease liabilities	17	78	76
Interest payable	11,12	23	22
Trade accounts payable		129	142
Contract liabilities		27	18
Other current liabilities		111	99
		548	850
TOTAL LIABILITIES		2,236	2,319
TOTAL EQUITY AND LIABILITIES		3,770	3,886

On behalf of the Board:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria Kapeliushna

The accompanying notes on the pages 11 to 31 form an integral part of these interim condensed consolidated financial statements

	Attributable to equity holders of the Parent					
	Share capital	Treasury shares	Additional paid-in capital	Revaluation reserve	Retained earnings	Translation reserve
Balance as of 1 January 2023	285	(45)	174	792	1,559	(1,337)
Profit/(Loss) for the period	-	-	-	-	71	-
Other comprehensive income	-	-	-	-	-	11
Total comprehensive income/(loss) for the period	-	-	-	-	71	11
Transfer from revaluation reserve to retained earnings	-	-	-	(31)	31	-
Translation differences on revaluation reserve	-	-	-	-	-	-
Balance as of 30 June 2023	285	(45)	174	761	1,661	(1,326)
Balance as of 1 January 2024	285	(45)	174	706	1,793	(1,356)
Profit for the period	-	-	-	-	42	-
Other comprehensive loss	-	-	-	-	-	(78)
Total comprehensive profit/(loss) for the period	-	-	-	-	42	(78)
Transfer from revaluation reserve to retained earnings	-	-	-	(29)	29	-
Translation differences on revaluation reserve	-	-	-	(42)	42	-
Balance as of 30 June 2024	285	(45)	174	635	1,906	(1,434)

On behalf of the Board:

Chief Executive
Officer
Yuriy Kosyuk

Chief Financial
Officer
Viktoria Kapeliushna

The accompanying notes on the pages 11 to 31 form an integral part of these interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2024**
(in millions of US dollars, unless otherwise indicated)

Operating activities	Notes	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Profit before tax		45	83
Non-cash adjustments to reconcile profit or loss before tax to net cash flows			
Depreciation and amortization expense	4	88	82
Net change in fair value of biological assets and agricultural produce	4	(31)	76
Change in allowance for expected credit losses and direct write-offs		(2)	1
Loss/(gain) on disposal of property, plant and equipment		2	(1)
Finance income		111	121

FINANCIAL INCOME		(14)	(9)
Finance costs	11, 12	80	80
Released deferred income		(2)	(1)
Foreign exchange loss/(gain), net		81	(5)
Operating cash flows before movements in working capital		247	309
<i>Working capital adjustments</i>			
Change in inventories		37	142
Change in biological assets		(171)	(194)
Change in agricultural produce		140	122
Change in prepayments made		(2)	-
Change in other current financial assets		1	(3)
Change in taxes recoverable and prepaid		(26)	11
Change in trade accounts receivable		(20)	(18)
Change in contract liabilities		12	(5)
Change in other current liabilities		8	10
Change in trade accounts payable		(3)	3
Cash generated by operations		223	377
Interest received		6	5
Interest paid		(78)	(97)
Income taxes paid		(8)	(11)
Net cash flows from operating activities		143	274
<i>Investing activities</i>			
Purchases of property, plant and equipment	7	(134)	(92)
Proceeds from disposals of property, plant and equipment		2	3
Purchases of intangible assets		(3)	(3)
Acquisition of subsidiaries, net of cash acquired	3	(11)	-
Investments in associates	8	(5)	-
Purchases of non-current biological assets		(1)	(1)
Prepayments and capitalized initial direct costs under lease contracts		(4)	(3)
Withdrawals in short-term deposits		-	4
Loans provided		(6)	(1)
Loans repaid		2	1
Investments in financial assets		(5)	(9)
Net cash flows used in investing activities		(165)	(101)
<i>Financing activities</i>			
Proceeds from bank borrowings		369	52
Repayment of bank borrowings		(127)	(26)
Repayment of bonds issued		(342)	-
Repayment of lease liabilities		(13)	(6)
Dividends paid by subsidiaries to non-controlling shareholders		-	(2)
Net cash flows from/(used in) financing activities		(113)	18
Net (decrease)/increase in cash and cash equivalents		(135)	191
Net foreign exchange difference on cash and cash equivalents		(7)	11
Cash and cash equivalents at 1 January		436	300
Cash and cash equivalents at 30 June		294	502

On behalf of the Board:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria Kapeliushna

The accompanying notes on the pages 11 to 31 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

1. Corporate information

MHP (the "Parent" or "MHP SE"), a limited liability company (Societas Europaea) registered under the laws of Cyprus, was formed on 30 May 2006. Hereinafter, MHP SE and its subsidiaries are referred to as the "MHP SE Group" or the "Group". The registered address of MHP SE is 16-18 Zinas Kanther Street, Agia Triada, 3035 Limassol, Cyprus. The MHP SE shares are listed on the London Stock Exchange ("LSE") in the form of global depositary receipts ("GDRs").

The controlling shareholder of MHP SE is Mr. Yuriy Kosyuk ("Principal Shareholder"), who owns 100% of the shares of WTI Trading Limited ("WTI"), which is the immediate majority shareholder of MHP SE, which in turn directly owns of 59,7% of the total outstanding share capital of MHP SE.

The principal business activities of the Group are poultry and related operations, vegetable oil and agriculture operations. The Group's poultry and related operations integrate all functions related to chicken production, including hatching, fodder manufacturing, raising chickens to marketable age ("grow-out"), processing and sale

of frozen and chilled chicken meat, as well as processed meat products. Agriculture operations comprise producing and selling grains and cattle breeding for milk production. Vegetable oil operations include the production and sale of vegetable oil, cake and husk. As of 30 June 2024, the Group employed 34,450 people (31 December 2023: 33,169 people).

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 30 June 2024 and 31 December 2023 were as follows:

Name	Country of registration	Year established/acquired	Principal activities	30 June 2024	31 December 2023
MHP Lux S.A.	Luxembourg	2018	Finance Company	100.0%	100.0%
MHP	Ukraine	1998	Management, marketing and sales	99.9%	99.9%
Myronivsky Plant of Manufacturing Feeds and Groats	Ukraine	1998	Fodder and vegetable oil production	88.5%	88.5%
Vinnitska Ptakhofabryka	Ukraine	2011	Chicken farm	100.0%	100.0%
Peremoga Nova	Ukraine	1999	Breeder farm	99.9%	99.9%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Myronivska Pticefabrika	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptakhofabryka	Ukraine	2003	Breeder farm	100.0%	100.0%
Zernoprodukt MHP	Ukraine	2005	Grain cultivation	99.9%	99.9%
Katerinopilskiy Elevator	Ukraine	2005	Fodder production and grain storage, vegetable oil production	99.9%	99.9%
SPF Urozhay	Ukraine	2006	Grain cultivation	99.9%	99.9%
Agrofort	Ukraine	2006	Grain cultivation	99.9%	99.9%
MHP-Urozhayna Krayina	Ukraine	2010	Grain cultivation	99.9%	99.9%
Ukrainian Bacon	Ukraine	2008	Meat processing	79.9%	79.9%
MHP-AgroKryazh	Ukraine	2013	Grain cultivation	51.0%	51.0%
MHP-Agro-S	Ukraine	2013	Grain cultivation	51.0%	51.0%
Zakhid-Agro MHP	Ukraine	2015	Grain cultivation	100.0%	100.0%
Perutnina Ptuj d.d.	Slovenia	2019	Poultry production	100.0%	100.0%
MHP Food Trading	United Arab Emirates	2016	Trading in vegetable oil and poultry meat	100.0%	100.0%
MHP B.V.	Netherlands	2014	Trading in poultry meat	100.0%	100.0%
MHP Trade B.V.	Netherlands	2018	Trading in poultry meat	100.0%	100.0%
MHP Saudi Arabia Traiding	Saudi Arabia	2018	Trading in poultry meat	100.0%	100.0%
MHP Food UK Limited	UK	2021	Trading in poultry meat	100.0%	100.0%

The Group's primary operational facilities are located in different regions of Ukraine as well as in Southeast Europe, including Slovenia, Serbia, Croatia and Bosnia and Herzegovina (represented by Perutnina Ptuj d.d. together with its subsidiaries).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union (EU). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2023, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113.

The interim condensed consolidated financial statements are presented in the US dollars (USD) and all values are rounded to the nearest million, except when otherwise indicated.

Going concern

In 2024, the Group has continued its operations in an environment severely affected by the Russian invasion of Ukraine since 24 February 2022. The Group concluded that the analysis of the observable impact of the War

Ukraine since 24 February 2022. The Group concluded that the analysis of the observable impact of the War as described on pages 161 and 202-203 of the Annual Report, which is available at mhp.com.cy, continues to be relevant for these interim condensed consolidated financial statements. The updates in the economic environment conditions during January-June 2024 are presented in Note 14 Operating environment.

Management have prepared adjusted financial forecasts, including cash flow projections, for the twelve months from the date of approval of these interim condensed consolidated financial statements, taking into consideration most likely and possible downside scenarios for the ongoing business impacts of the War. These forecasts as well as related assumptions are materially consistent with those, used in preparation of the annual consolidated financial statements for the year ended 31 December 2023, and have been updated to reflect current and reasonably expected market conditions.

These forecasts indicate that, the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have therefore concluded that it is appropriate to apply the going concern basis of accounting in preparing these interim condensed consolidated financial statements. However, due to the currently unpredictable effects of the ongoing War on the significant assumptions underlying management forecasts, the Directors have concluded that a material uncertainty exists, which may cast significant doubt about the Group's ability to continue as a going concern, in which case the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Adoption of new and revised International Financial Reporting Standards

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new amendments effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments have been adopted by the Group on 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-current;
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and
 - Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The adoption of these new amendments did not have any effect on the financial position or performance of the Group and did not result in any changes to the Group's accounting policies and the amounts reported in the interim condensed consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies (continued)

Standards and interpretations in issue, but not effective

At the date of authorization of these interim condensed consolidated financial statements, the following standards, interpretations and amendments to the standards were in issue but not yet effective:

<i>Standards and Interpretations</i>	<i>Effective for annual period beginning on or after</i>
The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability - Amendments to IAS 21	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvements Volume 11: Amendments to: <ul style="list-style-type: none">• IFRS 1 First-time Adoption of International Financial Reporting Standards• IFRS 7 Financial Instruments: Disclosures• IFRS 9 Financial Instruments• IFRS 10 Consolidated Financial Statements• IAS 7 Statement of Cash Flows	1 January 2026

The above-mentioned amendments have not yet been endorsed by the European Union. The Group is currently assessing the impact of these amendments and new standards on the consolidated financial statements.

Functional and presentation currencies

The functional currency of the Ukrainian companies of the Group is the Ukrainian Hryvnia ("UAH"); the functional currency of the Cyprus companies and Luxembourg company of the Group is the US Dollar ("USD"); the functional currency of the European companies of the Group is the Euro ("EUR"); the functional currency of the United Arab Emirates companies is the Dirham ("AED"); the functional currency of the UK company is the British Pound ("GBP"); the functional currency of the Saudi Arabia company is the Saudi Riyal ("SAR").

Transactions in currencies other than the functional currency of the entities concerned are treated as transactions in foreign currencies.

Such transactions are initially recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated prevailing rates on the reporting date. All realized and unrealized gains and losses arising on exchange differences are recognised in the consolidated statement of profit or loss and other comprehensive income for the period.

These consolidated financial statements are presented in US Dollars ("USD"), the Group's presentation currency, and all values are rounded to the nearest million, except when otherwise indicated.

The results and financial position of the Group are translated into the presentation currency using the following procedures:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate as of the reporting date of that statement of financial position;
- Income and expenses for each consolidated statement of profit or loss are translated at exchange rates at the dates of the transactions;
- Exchange differences arising on translation for consolidation are recognised in other comprehensive income and presented as a separate equity component. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss;
- All equity items except the revaluation reserve are translated at the historical exchange rate. The revaluation reserve is translated at the closing rate as of the statement of financial position date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies (continued)

Functional and presentation currencies (continued)

For practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the quarterly average exchange rates if such translations reasonably approximate the results translated at exchange rates prevailing at the dates of the transactions.

The following exchange rates were used:

Currency	Closing rate as of 30 June 2024	Average for six months ended 30 June 2024	Average for three months ended 30 June 2024	Closing rate as of 31 December 2023	Average for six months ended 30 June 2023	Average for three months ended 30 June 2023
UAH/USD	40.5374	39.0103	39.8478	37.9824	36.5686	36.5686
UAH/EUR	43.3547	42.1874	42.9079	42.2079	39.5236	40.0006
USD/EUR	1.0695	1.0814	1.0768	1.1112	1.0808	1.0939
USD/GBP	1.2641	1.2651	1.2622	1.2766	1.2327	1.2656
AED/USD	3.67	3.67	3.67	3.67	3.67	3.67
SAR/USD	3.75	3.75	3.75	3.75	3.75	3.75

Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

Change in presentation of segment information

In order to accurately reflect the diverse nature of Group's business operations and improve the granularity of reporting, since Q3 2023, the Group has implemented changes to its presentation of business segmentation information. These changes include:

- introduction of a new - Vegetable oils operations segment, which represents production and sales of vegetable oil and related products. During the comparative period ended 30 June 2023, these activities were included into Poultry and related operations segment as by-products of mixed fodder production for poultry;

- inclusion of meat processing and other meat (previously reported within Meat processing and other agricultural operations) in the Poultry and related operations segment given that the meat processing and other meat operations represent less than 10% of the Group's revenues and have similar characteristics to poultry operations;
- combining of grain-growing operations (presented as separate segment during six-month period ended 30 June 2023) and milk cattle farming (previously presented within Meat processing and other agricultural operations segment) into a revised reportable segment - Agriculture operations.

The corresponding segment information for the periods ended 30 June 2023 have been restated accordingly to ensure comparability.

The consolidated financial statements of the Group for the year ended 31 December 2023 contained segment information, using the revised segment composition as described above.

Seasonality of operations

Poultry and related operations, European operating segment, and Vegetable oils operations segment are not significantly exposed to seasonal fluctuations.

Agriculture operations segment, due to seasonality and implications of IAS 41, in the first half of the year mainly reflects sales of carried forward agricultural produce and the effect of biological assets revaluation, while during the second half of the year, it reflects sales of crops and the effect of revaluation of agricultural produce harvested during the year. Also, Agriculture operations segment has seasonal requirements for working capital increase from November to May due to the sowing campaign.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

3. Changes in the group structure

On 28 June 2024, the Group acquired 100% of the issued share capital of Toni d.o.o., a non-listed company based in Croatia that engaged in grain trading, drying and storage. The Group has acquired Toni to ensure stability in supply chain of grain for Slovenian and Croatian market.

The provisional fair values of identifiable assets acquired and liabilities assumed are as set out in the table below.

	<i>28 June 2024</i>
Property, plant and equipment	2.6
Inventories	0.4
Trade accounts receivable	3.7
Other current financial assets	0.1
Cash and cash equivalents	3.6
Trade accounts payable	(0.5)
Other liabilities	(0.4)
Bank borrowings	(4.0)
Total identifiable net assets	5.5
Goodwill arising on acquisition (provisional)	9.1
Total consideration due and payable	14.6

Analysis of cash flows on acquisitions:

Net cash acquitted on acquisition	3.6
Cash paid	14.6
Net cash outflow on acquisition	11.0

The gross amount of trade accounts receivable approximates their provisional fair value as stated above, and it is expected that the full contractual amount can be collected.

The consideration payable is USD 14.6 million, out of which the Group paid USD 14.1 million in June 2024, while remaining USD 0.5 million is payable till 28 September 2024.

Since the Group acquired this business close to the reporting date, the initial accounting for the acquisition has been only provisionally determined. As of the date of finalization of these interim condensed consolidated financial statements, the necessary market valuations and other elements of purchase price allocation had not been completed and have therefore been based on the directors' best estimate of the likely market values.

The goodwill of USD 9.1 million arising from the acquisition is attributed to the expected synergies and other benefits from combining the assets and activities of Toni with those of the Group, in particular of Perutnina Ptuj operations:

- Stabilization of purchasing prices of grain for feed in Croatian and Slovenian markets.
- Ensuring of local grain quantities supply in view of economy of scale positive effects.

The goodwill is not deductible for income tax purposes.

From the date of acquisition, Toni made no material contribution to the Group's revenue and net profit before tax as the acquisition was completed close to the reporting date. If the acquisition of Toni had been

ida, as the acquisition was completed close to the reporting date. If the acquisition of Toni had been completed on the first day of the financial year, the Group revenues for the six-months period ended 30 June 2024 would have been USD 1,497 million and the Group profit would have been USD 46 million.

During the reporting period, the Group's goodwill increased due to the acquisition of Toni d.o.o., which added USD 9 million while the translation adjustment caused a reduction of USD 2 million. Consequently, the net book value of goodwill increased from USD 62 million at 31 December 2023 to USD 69 million as at 30 June 2024. No impairment losses were recognized during the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

4. Segment information

The Group's business is managed worldwide but main manufacturing facilities and sales offices are located primarily in Ukraine, Europe and Middle East.

Reportable segments are presented consistent with the internal reporting to the Group's chief operating decision maker ("CODM").

Segment information is analyzed based on the types of goods supplied by the Group's operating divisions. The Group's reportable segments under IFRS 8 are as follows:

Poultry and related operations segment: • sales of poultry meat
• sales of processed meat and culinary products
• sales of other poultry related products

Vegetable oils operations segment: • sales of vegetable oil and related products

Agriculture operations segment: • sales of grains and oilseeds
• other agricultural operations (milk, feed grains and other)

European operating segment: • sales of poultry meat and processed meat products in Southeast Europe

The reportable segments information is prepared using the Group's accounting policies as described in Note 2 Basis of preparation and accounting policies. Sales between segments are carried out at market prices. The segment result represents operating profit under IFRS before unallocated corporate expenses and loss on impairment of property, plant and equipment. Unallocated corporate expenses include management remuneration, representative expenses, and expenses incurred in respect of the maintenance of office premises. This is the measure reported to the CODM for resource allocation and assessment of segment performance.

European operating segment primarily includes sales of poultry meat and processed meat products produced by Perutnina Ptuj and its subsidiaries. The CODM manages this as a single segment because each research, development, manufacture, distribution, and selling of chicken meat and meat processing products requires single marketing strategies, a centralized budgeting process, and centralized management of production operations.

The Group does not present information on segment assets and liabilities as the CODM does not review such information for decision-making purposes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

4. Segment information (continued)

The following table presents revenue and profit information regarding the Group's operating segments for the

six-month period ended 30 June 2024:

	Poultry and related operations	Vegetable oils operations	Agriculture operations	European operating segment	Total reportable segments	Eliminations	Consolidated
External sales	788	236	184	281	1,489	-	1,489
Sales between business segments	8	84	95	-	187	(187)	-
Total revenue	796	320	279	281	1,676	(187)	1,489
Segment results	117	25	51	36	229	-	229
Unallocated corporate expenses						(37)	
Other expenses, net ¹⁾						(147)	
Profit before tax							45
Other information:							
Depreciation and amortization expense ²⁾	42	2	31	12	87	-	87
Net change in fair value of biological assets and agricultural produce	22	-	13	(4)	31	-	31

1) Includes finance income, finance costs, foreign exchange loss (net);

2) Depreciation and amortization for the six-month period ended 30 June 2024 does not include unallocated depreciation and
amortization in the amount of USD 1.4 million.

The following table presents revenue and profit information regarding the Group's operating segments for the
six-month period ended 30 June 2023:

	Poultry and related operations	Vegetable oils operations	Agriculture operations	European operating segment	Total reportable segments	Eliminations	Consolidated
External sales	831	345	112	267	1,555	-	1,555
Sales between business segments	3	80	100	-	183	(183)	-
Total revenue	834	425	212	267	1,738	(183)	1,555
Segment results	135	50	(40)	27	172	-	172
Unallocated corporate expenses						(20)	
Other expenses, net ¹⁾						(69)	
Loss before tax							83
Other information:							
Depreciation and amortization expense ²⁾	43	-	25	12	80	-	80
Net change in fair value of biological assets and agricultural produce	13	-	(86)	(3)	(76)	-	(76)

1) Includes finance income, finance costs, foreign exchange gain (net);

2) Depreciation and amortization for the six-month period ended 30 June 2023 does not include unallocated depreciation and
amortization in the amount of USD 1.4 million.

3) The comparatives for the six-month period ended 30 June 2023 were restated (Note 2)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

4. Segment information (continued)

The following table presents revenue and profit information regarding the Group's operating segments for the
three-month period ended 30 June 2024:

	Poultry and related operations	Vegetable oils operations	Agriculture operations	European operating segment	Total reportable segments	Eliminations	Consolidated
External sales	390	120	115	145	770	-	770
Sales between business segments	4	42	42	-	88	(88)	-
Total revenue	394	162	157	145	858	(88)	770

TOTAL REVENUE	2024	2023	2022	2021	2020	2019	2018
Segment results	51	13	43	23	130	-	130
Unallocated corporate expenses						(22)	
Other expenses, net ¹⁾						(77)	
Profit before tax						31	
Other information:							
Depreciation and amortization expense ²⁾	21	1	17	6	45	-	45
Net change in fair value of biological assets and agricultural produce	10	-	12	(1)	21	-	21

¹⁾ Includes finance income, finance costs, foreign exchange loss (net);

²⁾ Depreciation and amortization for the three-month period ended 30 June 2024 does not include unallocated depreciation and amortization in the amount of USD 0.7 million.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month period ended 30 June 2023:

	<i>Poultry and related operations</i>	<i>Vegetable oils operations</i>	<i>Agriculture operations</i>	<i>European operating segment</i>	<i>Total reportable segments</i>	<i>Eliminations</i>	<i>Consolidated</i>
External sales	416	216	35	142	809	-	809
Sales between business segments	2	42	57	-	101	(101)	-
Total revenue	418	258	92	142	910	(101)	809
Segment results	78	27	(35)	12	82	-	82
Unallocated corporate expenses						(14)	
Other expenses, net ¹⁾						(36)	
Profit before tax						32	
Other information:							
Depreciation and amortization expense ²⁾	22	-	11	8	41	-	41
Net change in fair value of biological assets and agricultural produce	10	-	(44)	(5)	(39)	-	(39)

¹⁾ Includes finance income, finance costs, foreign exchange gain (net);

²⁾ Depreciation and amortization for the three-month period ended 30 June 2023 does not include unallocated depreciation and amortization in the amount of USD 0.7 million.

³⁾ The comparatives for the three-month period ended 30 June 2023 were restated (Note 2)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

4. Segment information (continued)

Non-current assets based on the geographic location of the manufacturing facilities were as follows as of 30 June 2024 and 31 December 2023:

	2024	2023
Ukraine	1,892	1,913
Europe	395	371
The Middle East and North Africa (MENA)	2	4
	2,289	2,288

¹⁾ Non-current assets excluding deferred tax assets, investments in associates and non-current financial assets.

5. Revenue

Revenue from the contracts with customers for the six-month and three-month periods ended 30 June 2024 and 2023 was as follows:

<i>Six-month period ended 30 June</i>	<i>Three-month period ended 30 June</i>
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	2024	2023	2024	2023
Poultry and related operations segment				
Chicken meat	660	719	323	359
Processed meat	58	48	31	25
Other poultry related sales	70	64	36	32
	788	831	390	416
Vegetable oil operations segment				
Vegetable oil	227	326	115	210
Oil related products	9	19	5	6
	236	345	120	216
Agricultural operations segment				
Grain	156	93	102	24
Other agricultural sales	28	19	13	11
	184	112	115	35
European operating segment				
Chicken meat	168	162	87	84
Processed meat	85	76	43	41
Other agricultural sales	28	29	15	17
	281	267	145	142
	1,489	1,555	770	809

The geographic structure of revenue for the six-month and three-month periods ended 30 June 2024 and 2023 was as follows:

	Six-month period ended 30 June		Three-month period ended 30 June	
	2024	2023	2024	2023
	954	973	503	508
Export	535	582	267	301
Domestic	1,489	1,555	770	809

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2024
(in millions of US dollars, unless otherwise indicated)**

6. Profit for the period

The Group's gross profit for the six-month period ended 30 June 2024 increased compared to the six-month period to USD 378 million (30 June 2023: USD 294 million). This growth was driven mainly by higher gross profit generated by agriculture operations and partial offset by lower results derived from Vegetable oil segment.

Consequently, operating profit increased by 26% to USD 192 million for the six-month period ended 30 June 2024 compared to USD 152 million for the six-month period ended 30 June 2023 as a result of an increase in gross profit. However this was partly offset by higher payroll in selling, general, and administrative as well as increase in war-related costs in other operating expenses, primarily driven by higher donations from the Group to communities and the Armed Forces of Ukraine, along with inventory losses with carrying a value of USD 6 million due to a rocket strike on a rented warehouse in Odessa in May 2024.

Profit for the six-month period ended 30 June 2024 amounted to USD 45 million, compared to USD 67 million for the six-month period ended 30 June 2023. The decrease is explained by depreciation of Ukrainian hryvnia against the US dollar and Euro during the reporting period, that resulted in a net foreign exchange loss of USD 81 million for the six-month period ended 30 June 2024 compared to a net gain of USD 5 million for the six-month period ended 30 June 2023 (for details refer to Note 14 Operating environment in Ukraine).

7. Property, plant and equipment

During the six-month period ended 30 June 2024, the Group's additions to property, plant and equipment amounted to USD 131 million (six-month period ended 30 June 2023: USD 95 million) related to capital improvements and modernization projects. An increase in additions is higher mainly due to significant investments in the capital improvements of existing facilities and the construction of bioenergy production facilities. There were no significant disposals of property, plant and equipment during the six month periods.

facilities. There were no significant disposals of property, plant and equipment during the six-month periods ended 30 June 2024 and 30 June 2023.

The remaining part of the movement mainly relates to depreciation charge over the period and translation into the presentation currency.

8. Investments in associates

Acquisition of Ukrainskyi Miasnyi Khutir

In April 2024, the Group entered into a share purchase agreement to acquire 100% of the corporate rights in Ukrainskyi Miasnyi Khutir LLC, a company engaged in meat processing in Ukraine. The total estimated consideration for this acquisition is EUR 14.0 million (equivalent to USD 15.1 million).

As of the reporting date, the Group has made a payment of EUR 3.5 million for the acquisition of 24.9% of the corporate rights in the company. The transaction is anticipated to be completed by the end of 2024, subject to the fulfillment of certain conditions, including the approval by the relevant regulatory bodies.

Since the Group currently exerts significant influence over Ukrainskyi Miasnyi Khutir, but does not yet have control, the investment is classified as an associate and is accounted for using the equity method as at 30 June 2024 with carrying value of USD 3.8 million. Subsequently, in August 2024 the Group has increased its stake in Ukrainskyi Miasnyi Khutir to 49%.

Investment in MHP Desert Hills for Poultry Company

In June 2024, the Group and Desert Hills Veterinary Services Company Limited (DHV), a wholly-owned subsidiary of Tanmiah Food Company, completed the incorporation of MHP Desert Hills for Poultry Company. This new entity is established for poultry farming in the Kingdom of Saudi Arabia. The Group holds a 45% interest, exercising the significant influence over the entity, and DHV holds the remaining 55%.

The Group has committed to investing SAR 26,810 thousand (equivalent to USD 7 million) in the entity, out of which 25% (or USD 2 million) has already been paid in June 2024. The remaining investment will be contributed in accordance with the terms of the shareholder agreement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2024 (in millions of US dollars, unless otherwise indicated)

8. Investments in associates (continued)

Investment in MHP Desert Hills for Poultry Company (continued)

As of the reporting date, the Group's investment in MHP Desert Hills For Poultry Company is accounted for as an associate using the equity method.

As of 30 June 2024, the carrying amount of the investment is USD 7 million, representing the total committed investment. The payable portion of the investment is recorded under other current liabilities.

9. Inventories, agricultural produce and biological assets

A decrease in inventories for the six-month period ended 30 June 2024 is explained by utilizing the existing stocks as at 31 December 2023 during the sowing campaign in 2024 leading to seasonal transfer of the associated costs to biological assets, which was partly mitigated by increase of sunflower and soybean seeds balances designated for vegetable oil production.

A decrease of agricultural produce for six-month period ended 30 June 2024 was mainly as a result of consumption of internally produced grains and oilseeds that was partially mitigated by increase of chicken meat stocks.

The increase in current biological assets as compared to 31 December 2023 is primarily related to crops in fields balance growth, represented mainly by spring crops seeded as well as higher prices for grains and oilseeds to be harvested.

10. Shareholders' equity

As of 30 June 2024 and 31 December 2023 the authorized, issued and fully paid share capital of MHP SE comprised the following number of shares:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Number of shares issued and fully paid	110 770 000	110 770 000

NUMBER OF SHARES ISSUED AND FULLY PAID	110,770,000	110,770,000
Number of shares outstanding ¹⁾	107,038,208	107,038,208

1) This number of outstanding shares is included in computation of the weighted average number of shares used as a denominator in calculating earnings per share

The authorized share capital as of 30 June 2024 and 31 December 2023 was EUR 222 million, represented by 110,770,000 shares with a par value of EUR 2 each.

All shares have equal voting rights and rights to receive dividends, which are payable at the discretion of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

11. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 30 June 2024 and 31 December 2023:

	Currency	30 June 2024		31 December 2023	
		WAIR ¹⁾	USD	WAIR ¹⁾	USD
Non-current					
	EUR	EURIBOR ²⁾ + 0,98%	100	EURIBOR ²⁾ + 1,05%	116
	EUR	0,11%	3		
	USD	SOFR ³⁾ + 3,91%	325	SOFR ³⁾ + 3,70%	101
	USD	UIRD ⁴⁾ + 6,03%	15	UIRD ⁴⁾ + 6,76%	17
			<u>443</u>		<u>234</u>
Current					
	USD	6,40%	4	7,38%	47
	USD	SOFR ³⁾ + 2,48%	30		-
	EUR	4,49%	31	6,26%	43
	EUR	EURIBOR ²⁾ + 2,3%	16		-
	UAH	-	-	11,85%	13
Current portion of long-term bank borrowings	EUR	EURIBOR ²⁾ + 0,98%	24	EURIBOR ²⁾ + 1,05%	28
	EUR	0,11%	1		
	USD	SOFR ³⁾ + 3,91%	71	SOFR ³⁾ + 3,70%	14
	USD	UIRD ⁴⁾ + 6,03%	3		-
			<u>180</u>		<u>145</u>
Total bank borrowings			<u>623</u>		<u>379</u>

1) WAIR represents the weighted average interest rate on outstanding borrowings

2) According to the terms of certain agreements, if market EURIBOR becomes negative, it shall be deemed to be zero for calculation of interest expense

3) The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities

4) Ukrainian Index of Retail Deposit Rates (UIRD) - indicative rate calculated at 15:00 Kyiv time of each Banking Day in the Thomson Reuters system based on nominal rates on time deposits of individuals in US Dollars for a period of 3 months with interest paid upon the expiration of the deposit agreement, operating in 20 largest Ukrainian banks in the size of the deposit portfolio of individuals.

The Group's borrowings are drawn from various banks, mostly from International Finance Institutions (IFIs), Ukrainian subsidiaries of international banks and Ukrainian state banks as term loans, credit line facilities. Repayment terms of principal amounts of bank borrowings vary from monthly repayment to repayment on maturity depending on the terms of the agreement with each bank.

As of 30 June 2024 and 31 December 2023, the Group's bank term loans and credit lines bear either floating or fixed interest rates.

Term loans and credit line facilities were as follows as of 30 June 2024 and 31 December 2023:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Credit lines	81	103
Term loans	542	276
	<u>623</u>	<u>379</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

11. Bank borrowings (continued)

Bank borrowings and credit lines outstanding as of 30 June 2024 and 31 December 2023 were repayable as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Within one year	180	145
In the second year	105	49
In the third to fifth year inclusive	303	167
After five years	35	18
	<u>623</u>	<u>379</u>

As of 30 June 2024, the Group had undrawn facilities of USD 315 million (31 December 2023: USD 468 million). These undrawn facilities expire during the period until December 2030.

The Group's bank borrowings are jointly and severally guaranteed by MHP, Myronivsky Plant of Manufacturing Feeds and Groats, Oril-Leader, Peremoga Nova, Starynska Ptakhofabryka, Zemoprod MHP, Katerinopilskiy Elevator, Agrofort, SPF Urozhay, MHP SE, Scylla Capital Limited, Myronivska Pticefabrika, Vinnytska Ptakhofabryka.

As of 30 June 2024, the Group had borrowings of USD 142 million secured by property, plant and equipment with a collateral amount of USD 131 million (31 December 2023: USD 148 million and USD 127 million, respectively).

As of 30 June 2024, the Group had borrowings of USD 46 million that were secured by agricultural produce with a carrying amount of USD 58 million (31 December 2023: borrowings of USD 10 million were secured by agricultural produce with a carrying amount of USD 13 million).

As of 30 June 2024, the bank deposits with carrying amount of USD 3 million (31 December 2023: USD 19 million) were secured as collateral for issued letters of credit. The restricted bank deposits are presented within other current financial assets, and unrestricted ones are presented as cash and cash equivalents.

As of 30 June 2024 and 31 December 2023, interest payable on bank borrowings was USD 7.2 million and USD 2.4 million, respectively.

Covenants

The Group, as well as its specified subsidiaries, have to comply with the following maintenance covenants imposed by the banks providing the loans: EBITDA to interest expenses ratio, current ratio and liabilities to equity ratio. Separately, in case of excess of Net Debt to EBITDA ratio (the Group's leverage ratio), there are negative covenants in respect of restricted payments, including dividends, additional indebtedness and restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates.

As of 30 June 2024, the Group has complied with all covenants. As at 30 June 2024, the Group's leverage ratio decreased to 2.41 to 1, below the defined limit of 3.0 to 1, compared with 2.51 and 2.47 to 1 as at 31 March 2024 and 31 December 2023 respectively.

Loan agreement with international financial institutions

With the purpose of refinancing the part of its Eurobond indebtedness matured in May 2024, on 20 October 2023 the Group signed agreements with three international and development financial institutions - DFC, IFC and EBRD - to provide facilities of up to USD 400 million in aggregate. First tranches in total amount of USD 107 million were received to partially finance the repurchase of Notes on 10 November 2023, under a Tender Offer, with a principal amount of USD 151 million for USD 128 million (for details refer to Note 12 Bonds issued). Subsequently, in 2024, second tranches (USD 113 million) were received to partially finance the repurchase of Notes on 23 January 2024, under a Tender Offer, with a principal amount of USD 138 million for

USD 131 million. The last tranches in total amount of USD 180 million were received in early May 2024 for repayment of Notes with the outstanding amount of USD 211 million (for details refer to Note 12 Bonds issued). As a result, the Group's obligations in respect of 7.75% Senior Notes due in 2024 with a total nominal value of USD 500 million have been fully discharged.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

12. Bonds issued

Bonds issued and outstanding as of 30 June 2024 and 31 December 2023 were as follows:

	<i>Carrying amount</i>		<i>Nominal amount</i>	
	<i>30 June 2024</i>	<i>31 December 2023</i>	<i>30 June 2024</i>	<i>31 December 2023</i>
Non-current				
6.25% Senior Notes due in 2029	348	348	350	350
6.95% Senior Notes due in 2026	545	543	550	550
	893	891	900	900
Current				
7.75% Senior Notes due in 2024	-	348	-	349
	-	348	-	349
Unamortized debt issuance cost	-	-	(7)	(10)
Total bonds issued	893	1,239	893	1,239

As of 30 June 2024 and 31 December 2023, the amount of interest payable on bonds issued was USD 15.4 million and USD 19.2 million, respectively.

6.25% Senior Notes

On 19 September 2019, MHP Lux S.A., a public company with limited liability (société anonyme) incorporated in 2018 under the laws of the Grand Duchy of Luxembourg, issued USD 350 million 6.25% Senior Notes due in 2029 at par value. The funds received were used to satisfy and discharge the 8.25% Senior Notes due in April 2020 for debt refinancing and general corporate purposes.

The Senior Notes are jointly and severally guaranteed on a senior basis by MHP SE, PrJSC "Oril - Leader", PrJSC "Myronivska Pticefabrika", "SPF "Urozhay" LLC, "Starynska Ptakhofabryka" ALLC, "Vinnitska Ptakhofabryka" LLC, "Peremoga Nova" SE, "Katerinopolskiy Elevator" LLC, PrJSC "MHP", PrJSC "Zernoprodukt MHP" and PrJSC "Agrofort".

Interest on the Senior Notes is payable semi-annually in arrears in March and September. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of Net Debt to EBITDA ratio as defined by the indenture, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may, upon written notice to the Group, declare all outstanding Senior Notes to be due and payable immediately. If a change of control occurs, the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

12. Bonds issued (continued)

6.95% Senior Notes

On 3 April 2018, MHP Lux S.A. issued USD 550 million 6.95% Senior Notes due in 2026 at par value. Out of the total issue amount, USD 116 million were designated for redemption and exchange of the existing 8.25%

the total issue amount, USD 410 million were designated for redemption and exchange of the existing 8.25% Senior Notes due in 2020.

The Senior Notes are jointly and severally guaranteed on a senior basis by MHP SE, PJSC "MHP", PJSC "Myronivsky Plant of Manufacturing Feeds and Groats", PJSC "Zemoprodukt MHP", PJSC "Agrofort", PJSC "Oril-Leader", PJSC "Myronivska Pticefabrika", "SPF "Urozhay" LLC, "Starynska Ptakhofabryka" ALLC, "Vinnytska Ptakhofabryka" LLC, "Peremoga Nova" SE, "Katerinopolskiy Elevator" LLC, Scylla Capital Limited.

Interest on the Senior Notes is payable semi-annually in arrears in April and October. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of Net Debt to EBITDA ratio as defined by the indenture, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may, upon written notice to the Group, declare all outstanding Senior Notes to be due and payable immediately. If a change of control occurs, the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

7.75% Senior Notes

On 10 May 2017, MHP SE issued USD 500 million 7.75% Senior Notes due in 2024 at par value. Out of the total issue amount, USD 245 million were designated for redemption and exchange of existing 8.25% Senior Notes due in 2020.

On 25 September 2023 MHP SE launched an invitation to the holders (the "Noteholders") of its USD 500 million 7.75% Guaranteed Notes due 10 May 2024 (the "Notes") to tender for purchase for cash any and all of the USD 500 million aggregate principal amount of Notes outstanding. On 9 November 2023 the MHP SE has accepted for purchase all validly traded Notes in the amount of USD 151 million with the aggregate principal amount of Notes outstanding following completion of the Tender Offer. On 10 November 2023 Noteholders who validly tendered their Notes were paid the consideration of USD 850 per USD 1,000 principal amount of the Notes (with total consideration paid USD 128 million) and, on the same date, Notes in the amount of USD 151 have been cancelled. Finance income in the amount USD 22 million was recognized as a result of the Notes repurchase in November 2023.

On 12 December 2023 MHP SE launched an invitation to the Noteholders of its USD 349 million 7.75% Guaranteed Notes due 10 May 2024 (the "Notes") to tender for purchase for cash any and all of the USD 349 million aggregate principal amount of Notes outstanding. On 22 January 2024 MHP SE has accepted for purchase all validly traded Notes in the amount of USD 138 million with the aggregate principal amount of Notes outstanding following completion of the Tender Offer. On 23 January 2024 Noteholders who validly tendered their Notes were paid the consideration of USD 950 per USD 1,000 principal amount of the Notes (with total consideration paid USD 131 million) and, on the same date, the Notes in the amount of USD 138 million have been cancelled. Finance income in the amount USD 6 million was recognized as a result of the Notes repurchase during the six-month period ended 30 June 2024.

On 10 May 2024 MHP SE has successfully concluded the scheduled redemption of all outstanding 7.75% Senior Notes in amount of USD 211 million. The redemption of the initial Eurobond transaction and associated coupon payments were executed in accordance with the terms outlined in the Eurobond Prospectus, thereby fulfilling the company's obligations towards the respective bondholders in full.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2024 (in millions of US dollars, unless otherwise indicated)

12. Bonds issued (continued)

Covenants

Certain restrictions under the indebtedness agreements (e.g. incurrence of additional indebtedness, restricted payments as defined above, dividends payment) are dependent on the leverage ratio of the Group calculated as Net Debt to EBITDA. Once the leverage ratio exceeds 3.0 to 1, it is not permitted for the Group to make certain restricted payments, declare dividends exceeding USD 30 million in any financial year, or incur additional debt except that defined as a Permitted Debt. According to the indebtedness agreements, the consolidated leverage ratio is tested on the date of incurrence of additional indebtedness or restricted payment

and after giving pro forma effect to such incurrence or restricted payment as if it had been incurred or done at the beginning of the most recent four consecutive fiscal quarters for which financial statements are publicly available (or are made available).

As of 30 June 2024, the Group has complied with all covenants. As at 30 June 2024, the Group's leverage ratio decreased to 2.41 to 1, below the defined limit 3.0 to 1, compared to 2.51 and 2.47 to 1 as at 31 March 2024 and 31 December 2023 respectively.

13. Related party balances and transactions

For the purpose of these financial statements, parties are considered to be related if one party controls, is controlled by, or is under common control with the other party or exercises significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

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

Transactions with related parties under common control

The Group, in the ordinary course of business, enters into transactions with related parties that are companies under common control of the Principal Shareholder of the Group (Note 1) for the purchase and sale of goods and services and in relation to the provision of financing arrangements. Terms and conditions of sales to related parties are determined based on arrangements specific to each contract or transaction. The terms of the payables and receivables related to the Group's trading activities do not vary significantly from the terms of similar transactions with third parties.

Transactions with related parties during the six-month periods ended 30 June 2024 and 30 June 2023 were as follows:

<i>in thousand USD</i>	<i>Six-month period ended 30 June 2024</i>	<i>Six-month period ended 30 June 2023</i>
Loans and finance aid provided to related parties	-	46
Interest charged on loans and finance aid provided	115	162
Sales to related parties	474	121
Purchases from related parties	455	215
Key management personnel of the Group:		
Loans provided	499	98
Loans repaid	248	226

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

13. Related party balances and transactions (continued)

The balances owed to and due from related parties were as follows as of 30 June 2024 and 31 December 2023:

<i>in thousand USD</i>	<i>30 June 2024</i>	<i>31 December 2023</i>
Loans and finance aid receivable	3,686	3,815
Less: expected credit losses	(2,029)	(2,101)
	1,657	1,714
Loans to key management personnel	3,582	3,564
Less: expected credit losses	(297)	(414)
	3,285	3,150
Trade accounts receivable	369	391
Payables due to related parties	11	53
Payables due to associates (Note 8)	5,421	-

Loans and finance aid receivable

For certain loans and finance aid receivable, credit risk increased to the point where it is considered credit-impaired. The expected credit loss for such loans amounted to USD 1,793 thousand and USD 1,894 thousand as of 30 June 2024 and 31 December 2023, respectively.

Compensation of key management personnel

total compensation of the Group's key management personnel included primarily in selling, general and administrative expenses in the Consolidated Statements of Profit and Loss and Other Comprehensive Income, amounted to USD 12,176 thousand and USD 9,932 thousand for the six-month periods ended 30 June 2024 and 2023, respectively. Compensation of key management personnel consists of contractual salary and performance bonuses paid.

14. Operating environment in Ukraine

On 24 February 2022, Russian forces commenced a military invasion of Ukraine, resulting in a full-scale war across the Ukrainian state. The ongoing military invasion has led, and continues to lead, to significant casualties, displacement of the population, damage to infrastructure and logistics, and disruption of economic activity in Ukraine.

In 2024, Ukrainian entities continue their business activities in a challenging economic environment, facing disruptions in supply chains, higher business costs, and the physical destruction of production facilities and infrastructure. During March - August 2024, Russia's attacks on Ukrainian power generation and distribution infrastructure led to the loss of a number of generating capacities, severe power outages and increased electricity price.

Stable operation of the Black Sea corridor, established during second half of 2023, continued to support economic activities of Ukrainian companies. However, there has been another logistic challenge from the blockade of the Polish-Ukrainian border by Polish truckers and farmers during November 2023 - April 2024, which negatively impacted on Ukraine's external trade during this period.

In April 2024, the EU extended free trade agreement with Ukraine until 5 June 2025. Further, in May 2024, the EU introduced quantitative restrictions for some types of agricultural products, including poultry, eggs, sugar, oats, corn, cereals and honey. The imposed trade restrictions limit Ukrainian imports of these products to the EU to the average yearly export volumes recorded between 1 July 2021 and 31 December 2023.

Despite the mentioned and other challenges caused by the War, the Ukraine's GDP grew up by 4.1% during first half of 2024 comparing to the first half-year of 2023. In June 2024, inflation accelerated to 4.8% y/y, driven by a higher energy costs and wage costs as well as higher prices for processed food. Price pressure is expected to persist in the second half year of 2024, caused by the higher business costs, a fading effect of the last year's larger harvest and the adverse impact of a summer drought on the crop yields in 2024. Based on the most recent publications in July-August 2024, the National Bank of Ukraine (the "NBU") forecasts annual inflation at level of 8.5% by the end of 2024, while economic growth is expected at 3.7% for current year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

14. Operating environment (continued)

Given moderate inflation indicators in June 2024, the NBU cut its key policy rate to 13% p.a. compared to 15% p.a. effective at 31 December 2023. At the same time, the NBU continued to control foreign exchange market under the regime of managed flexibility of the exchange rate effective since October 2023. As at 30 June 2024, Ukrainian hryvna depreciated against the US dollar by 6.7% compared to 31 December 2023.

The Government continues to implement measures to stabilize markets and the economy. International organizations (such as the IMF, EBRD, World Bank), along with individual countries and charities, are providing Ukraine with financing, donations and material support. International assistance remains an important source of financing to meet state budget needs.

The Group considers the following expenses incurred during the six-month periods ended 30 June 2024 and 2023 to be directly related to or driven by the continuing war:

	2024	2023
Salary to mobilized employees ²⁾	10.4	8.9
Support donations to communities and defense forces ¹⁾	8.3	2.2
Write-off of damaged inventories and biological assets ¹⁾ (Note 6)	6.3	0.2
Other war-related expenses ¹⁾	1.0	2.1
Total amount recognized in profit or loss	26.0	13.4

1) These expenses are presented within other operating expenses in the consolidated statement of profit or loss and other comprehensive income;

2) These expenses are presented within cost of sales and selling, general and administrative expenses in the

consolidated statement of profit or loss and other comprehensive income.

The Group, working with volunteers, has provided humanitarian aid (mainly through food supply) to the people of Ukraine since the beginning of the war.

15. Contingencies and contractual commitments

Taxation and legal matters

The Group carries its operations in various jurisdictions, with a significant number of operations in Ukraine. Ukrainian legislation regarding taxation and other regulatory matters, including currency exchange control and customs regulations, is regularly changed and revisited. Non-compliance with tax laws and regulations can lead to the imposition of severe penalties and fines.

Management believes that the Group has been in compliance with all requirements of effective tax legislation.

The Group exports vegetable oil, chicken meat, and related products and performs intercompany transactions, which may potentially be in the scope of the Ukrainian transfer pricing regulations. The Group has submitted the controlled transaction reports for the years ended 31 December 2022 and 31 December 2021 meeting the regulatory deadlines.

As of 30 June 2024 and 31 December 2023, management assessed the Group's possible exposure to tax risks for a total amount of USD 4 million related to corporate income tax. No provision was recognised relating to such possible tax exposure.

As of 30 June 2024, companies of the Group were engaged in ongoing litigation with tax authorities for the amount of USD 30 million (31 December 2023: USD 35 million), including USD 4 million (31 December 2023: USD 6 million) of litigations with the tax authorities related to disallowance of certain amounts of VAT refunds and deductible expenses claimed by the Group. Out of this amount, USD 21 million as of 30 June 2024 (31 December 2023: USD 5 million) relates to cases where court hearings have taken place and where the court in either the first or second instance has already ruled in favor of the Group. In addition, the Group maintains disputes with tax authorities in the amount USD 5 million, which are not brought to the Court as at 30 June 2024 (31 December 2023: USD 26 million).

Management believes that, based on the past history of court resolutions of similar disputes upheld by the Group, it is unlikely that a significant settlement would arise out of such lawsuits and, therefore, no respective provision is required in the Group's financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2024 (in millions of US dollars, unless otherwise indicated)

15. Contingencies and contractual commitments (continued)

Contractual commitments on purchase of property, plant and equipment

During the six-month period ended 30 June 2024, companies of the Group entered into a number of contracts with foreign suppliers for the purchase of property, plant and equipment. These agreements are mainly related to maintenance and modernization projects, new product development in Ukraine, and expansion of Perutnina Ptuj production facilities. As of 30 June 2024, purchase commitments amounted to USD 79 million (31 December 2023: USD 67 million).

16. Fair value of financial instruments

Fair value disclosures in respect of financial instruments are made in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosure" and IFRS 13 "Fair Value Measurement". 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 forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value is estimated to be the same as the carrying value for cash and cash equivalents, short-term bank deposits, trade accounts receivables, other current assets, and trade accounts payable due to the short-term nature of the financial instruments. The fair value of non-current financial assets is measured by

discounting the estimated future cash outflows, with reference to market interest rates, and it approximates the carrying value of non-current financial assets.

Set out below is the comparison of carrying amounts and fair values of the Group's financial instruments, excluding those discussed above, in the consolidated statement of financial position:

	Carrying amount		Fair value	
	31 December		31 December	
	30 June 2024	2023	30 June 2024	2023
Financial liabilities				
Bank borrowings (Note 11)	630	381	630	382
Senior Notes due in 2024, 2026, 2029 (Note 12)	909	1,259	707	996

The fair value of bank borrowings was estimated by discounting the expected future cash outflows by a market interest rates for bank borrowings, and it is within Level 2 of the fair value hierarchy.

The fair value of Senior Notes was estimated based on market quotations and is within Level 1 of the fair value hierarchy.

In determining the fair value of financial instruments, the impact of potential climate-related matters, including legislation, climate change, and company climate objectives, which may affect the fair value measurement of financial assets and liabilities, has been considered and found not to be material.

17. Risk management policy

During the six-month period ended 30 June 2024, there were no material changes to the objectives, policies, and process for credit risk, capital risk, liquidity risk, currency risk, interest rate risk, livestock diseases risk, and commodity price and procurement risk management.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group's liquidity position is carefully monitored and managed. The Group has a detailed budgeting and cash forecasting process to help ensure adequate cash is available to meet its payment obligations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

17. Risk management policy (continued)

Liquidity risk (continued)

The following table details the Group's financial liabilities by their remaining contractual maturity. The table has been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date the Group can be required to pay. The table includes both interest and principal cash flows as of 30 June 2024 and 31 December 2023. The amounts in the table may not be equal to the statement of financial position carrying amounts since the table includes all cash outflows on an undiscounted basis.

	Carrying amount	Contractual Amounts	Less than 1 year	From 2nd to 5th year	After 5th year
<i>30 June 2024</i>					
Bank borrowings	630	740	218	486	36
Bonds issued	909	1,097	60	676	361
Lease liabilities	279	535	79	246	210
Trade accounts payable	129	129	129	-	-
Other current financial liabilities	111	111	111	-	-
Total	2,058	2,612	597	1,408	607
<i>31 December 2023</i>					
Bank borrowings	381	439	164	256	19
Bonds issued	1,259	1,490	423	695	372
Lease liabilities	256	510	76	230	204
Trade accounts payable	142	142	142	-	-
Other current liabilities	99	99	99	-	-
Total	2,137	2,680	904	1,181	595

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group undertakes certain transactions denominated in foreign currencies. The Group

exchange rates. The Group manages certain transactions denominated in foreign currencies. The Group does not use any derivatives to manage foreign currency risk exposure. However, Management limits exposure to foreign currency fluctuations to manage currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and liabilities as of 30 June 2024 and 31 December 2023 were as follows:

	30 June 2024		31 December 2023	
	USD	EUR	USD	EUR
Total assets	148	112	255	107
Total liabilities ¹⁾	1,381	116	1,449	225
Net (liabilities)/assets	(1,233)	(4)	(1,194)	(118)

1) Currency-denominated liabilities consist primarily of bonds issued and bank borrowings.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024

(in millions of US dollars, unless otherwise indicated)

17. Risk management policy (continued)

Currency risk (continued)

The table below illustrates the Group's sensitivity to a change in the exchange rate of the Ukrainian Hryvnia against the US Dollar and Euro. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the year-end for possible changes in foreign currency rates.

	Change in foreign currency exchange rates	Effect on profit before tax, gain/(loss)
2024		
Increase in USD exchange rate	10%	(123)
Increase in EUR exchange rate	10%	-
Decrease in USD exchange rate	2%	25
Decrease in EUR exchange rate	2%	-
2023		
Increase in USD exchange rate	10%	(119)
Increase in EUR exchange rate	10%	(12)
Decrease in USD exchange rate	2%	24
Decrease in EUR exchange rate	2%	2

During the six-month period ended 30 June 2024, the Ukrainian Hryvnia depreciated against the EUR by 2.6% and the USD by 6.3% (six-month period ended 30 June 2023: depreciated against the EUR and USD by 2.6%, while the official exchange rate of UAH against the USD remained unchanged). As a result, during the six-month period ended 30 June 2024, the Group recognized a net foreign exchange loss in the amount of USD 81 million (six-month period ended 30 June 2023: net foreign exchange gain in the amount of USD 4.5 million) in the interim condensed consolidated statement of profit or loss and other comprehensive income.

18. Subsequent events

In July 2024, the Group entered into an agreement to acquire 70% of the equity interest in KK & Sons Group Ltd, registered in United Kingdom, an international logistics company, for a total consideration of USD 5 million. The acquisition aimed at strengthening the Group's logistics and supply chain capabilities. As of the date of approval of these interim condensed consolidated financial statements, the preliminary assessment of the fair values of the identifiable net assets acquired, as well as the determination of goodwill and non-controlling interest, has not yet been finalized. The Group is in the process of completing the purchase price allocation and evaluating the financial impact of this transaction on its consolidated financial statements, which is expected to be completed during twelve months since the acquisition date.

19. Authorization of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors of MHP SE on 6 September 2024.



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