



22 November 2024, Limassol, Cyprus

**MHP SE**

### **Financial Results for the Third Quarter and Nine Months ended 30 September 2024**

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

#### **WAR IN UKRAINE - UPDATE**

19 November 2024 marked 1000 days since the Russian Federation's full-scale invasion of Ukraine. Despite the significant challenges arising from the War, MHP remains resilient and has adapted to wartime conditions. Throughout Q3, MHP concentrated on navigating the dynamic geopolitical landscape while maintaining operational resilience.

According to a joint report on economic policy priorities prepared by the Ministry of Economy and the Ministry of Finance, Ukraine's labor force has shrunk by 12% since the beginning of the War. Addressing existing and future workforce challenges, maintaining employee safety, and ensuring business continuity remain MHP's key priorities.

As of today, over 3,300 employees (c.12% of MHP Ukraine staff) have been mobilized to the Armed Forces of Ukraine.

Overall, war-related costs remain high, reaching US 38 million compared to US 23 million in 9M 2023.

We remain immensely grateful to our stakeholders for their ongoing support and trust in the Company as it navigates the most difficult period in Ukraine's history.

#### **OPERATIONAL HIGHLIGHTS**

##### **Q3 2024**

- Poultry meat production volume in Ukraine decreased by 10% y/y to 167,836 tonnes (Q3 2023: 187,036 tonnes). Poultry meat production volumes of the European Operating Segment (PP) was up by 11% y/y to 38,534 tonnes (Q3 2023: 34,764 tonnes).
- MHP Ukraine's average poultry meat price increased by 6% y/y to US 2.07 per kg (Q3 2023: US 1.96 per kg) excluding VAT. The average price of poultry meat produced by PP remained almost unchanged y/y at EUR 3.55 per kg (Q3 2023: EUR 3.51 per kg).
- Poultry meat exports from Ukraine decreased by 9% y/y to 90,486 tonnes (Q3 2023: 99,813 tonnes).

##### **9M 2024**

- Poultry meat production volume in Ukraine remained stable y/y at 533,737 tonnes (9M 2023: 546,369 tonnes). Poultry meat production volumes at PP increased by 8% y/y to 107,952 tonnes (9M 2023: 99,850 tonnes).
- MHP Ukraine's average poultry meat price increased by 4% y/y at US 2.01 per kg (9M 2023: US 1.94 per kg) excluding VAT. The average price of poultry meat produced by PP remained stable y/y at EUR 3.51 per kg (6M 2023: EUR 3.55 per kg).
- Poultry meat exports from Ukraine decreased by 11% y/y to 276,340 tonnes (9M 2023: 311,978 tonnes).

#### **FINANCIAL HIGHLIGHTS**

##### **Q3 2024**

- Revenue increased by 5% y/y to US 773 million (Q3 2023: US 739 million).
- Export revenue remained stable y/y at US 415 million, 54% of total revenue (Q3 2023: US 411 million, 56% of total revenue).
- Operating profit of US 154 million increased by 62% y/y and operating margin increased to 20% y/y (Q3 2023: US 95 million and 13% respectively).
- Adjusted EBITDA (net of IFRS 16) increased by 56% y/y at US 173 million (Q3 2023: US 111 million) primarily driven by improved performance in Agriculture operations; adjusted EBITDA margin (net of IFRS 16) also increased to 22% (Q3 2023: 15%).
- Net profit increased to US 96 million, compared to US 55 million for Q3 2023.

## 9M 2024

- Revenue remained almost stable y/y at US 2,262 million (9M 2023: US 2,294 million).
- Export revenue remained almost stable y/y at US 1,368 million, representing 60% of total revenue (9M 2023: US 1,385 million, 60% of total revenue).
- Operating profit increased to US 346 million, up by 40% y/y (9M 2023: US 247 million) and operating margin increased to 15% (6M 2023: 11%).
- Adjusted EBITDA (net of IFRS 16) increased by 33% y/y to US 437 million (9M 2023: US 329 million) mainly due to better results delivered by Agriculture operations; adjusted EBITDA margin (net of IFRS 16) also increased to 19% from 14%.
- Net profit of US 141 million (9M 2023: US 122 million), primarily reflecting increase in operating profit partly mitigated by a US 98 million non-cash foreign exchange loss in 9M 2024 compared to US 7 million foreign exchange gain in 9M 2023.

## FINANCIAL OVERVIEW

(in mln. US , unless indicated otherwise)	Q3 2024	Q3 2023	% change <sup>1)</sup>	9M 2024	9M 2023	% change <sup>1)</sup>
<b>Revenue</b>	<b>773</b>	<b>739</b>	<b>5%</b>	<b>2,262</b>	<b>2,294</b>	<b>-1%</b>
IAS 41 standard gain/(loss)	50	2	2400%	81	(74)	209%
<b>Gross profit</b>	<b>249</b>	<b>169</b>	<b>47%</b>	<b>627</b>	<b>463</b>	<b>35%</b>
Gross profit margin	32%	23%	9pps	28%	20%	8pps
War-related expenses	(12)	(9)	33%	(38)	(23)	65%
<b>Operating profit</b>	<b>154</b>	<b>95</b>	<b>62%</b>	<b>346</b>	<b>247</b>	<b>40%</b>
Operating profit margin	20%	13%	7pps	15%	11%	4pps
<b>Adjusted EBITDA</b>	<b>199</b>	<b>133</b>	<b>50%</b>	<b>478</b>	<b>367</b>	<b>30%</b>
Adjusted EBITDA margin	26%	18%	8pps	21%	16%	5pps
<b>Adjusted EBITDA (net of IFRS 16)</b>	<b>173</b>	<b>111</b>	<b>56%</b>	<b>437</b>	<b>329</b>	<b>33%</b>
Adjusted EBITDA margin (net of IFRS 16)	22%	15%	7pps	19%	14%	5pps
<b>Net profit / (loss)</b>	<b>96</b>	<b>55</b>	<b>75%</b>	<b>141</b>	<b>122</b>	<b>16%</b>
Net profit/(loss) margin	12%	7%	5pps	6%	5%	1pps

<sup>1)</sup> pps - percentage points

Average official FX rate for Q3: UAH/US 41.14 in 2024 and UAH/US 36.57 in 2023.

Average official FX rate for 9M 2024 UAH/US 39.73 and for 9M 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 Q3 2024 and 9M 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>

## For Investor Relations enquiries, please contact:

Anastasia Sobotiuk (Kyiv) +38 050 339 29 99  
+357 99 76 71 26 [a.sobotiuk@mhp.com.ua](mailto:a.sobotiuk@mhp.com.ua)

## Segment Performance

### Poultry and processed meat and related operations

<b>Poultry meat</b>		Q3 2024	Q3 2023	% change y/y <sup>2)</sup>	Q2 2024	Q2 2023	% change q/q <sup>2)</sup>	9M 2024	9M 2023	% change <sup>2)</sup>
(in tonnes, unless indicated otherwise)										
<b>Sales volume of poultry meat<sup>1)</sup></b>	163,238	177,613	-8%	163,128	163,128	0%	490,453	535,201	-8%	
Export sales	90,486	99,813	-9%	87,799	87,799	3%	276,340	311,978	-11%	

<b>Domestic sales</b>	72,752	77,800	-6%	75,329	-3%	214,113	223,223	-4%
Portion of export sales, %	55%	56%	-1pps	54%	1pps	56%	58%	-2pps
Average price per 1 kg net of VAT, USD	2.07	1.96	6%	1.97	5%	2.01	1.94	4%

<sup>1)</sup> 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)

<sup>1)</sup> pps - percentage points

In 9M 2024, total poultry meat sales to third parties decreased by 8% y/y to 490,453 tonnes (9M 2023: 535,201 tonnes). This decline was primarily due to slightly lower production and the absence of the high stock levels that had been available at the beginning of 2023, which were sold off during that period.

#### Processed poultry meat

	Q3 2024	Q3 2023	% change y/y <sup>2)</sup>	Q2 2024	% change q/q <sup>2)</sup>	9M 2024	9M 2023	% change <sup>2)</sup>
<b>Sales volume of processed meat<sup>1)</sup></b>	<b>12,098</b>	<b>10,097</b>	<b>20%</b>	<b>10,671</b>	<b>13%</b>	<b>32,484</b>	<b>27,260</b>	<b>19%</b>
Export sales	3,064	1,864	64%	3,045	1%	8,538	3,825	123%
Domestic sales	9,034	8,233	10%	7,626	18%	23,946	23,435	2%
Portion of export sales, %	25%	18%	7pps	29%	-4pps	26%	14%	12pps
Average price per 1 kg net of VAT, USD	2.83	3.01	-6%	2.89	-2%	2.88	2.88	0%

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

<sup>2)</sup> pps - percentage points

Total sales volume of processed poultry meat increased by 19% y/y to 32,484 tonnes in 9M 2024 compared to 27,260 tonnes in 9M 2023 due to the rise in production and the further strategic transformation into a culinary company. The average price remained stable at US 2.88 per kg in 9M 2024 (9M 2023: US 2.88 per kg).

#### Financial results and trends

	Q3 2024	Q3 2023	% change y/y <sup>1)</sup>	Q2 2024	% change q/q <sup>1)</sup>	9M 2024	9M 2023	% change <sup>1)</sup>
<b>(in mln. U S, unless indicated otherwise)</b>								
<b>Revenue</b>	<b>412</b>	<b>425</b>	<b>-3%</b>	<b>390</b>	<b>6%</b>	<b>1,200</b>	<b>1,257</b>	<b>-5%</b>
- Poultry meat <sup>2)</sup>	342	359	-5%	323	6%	1,002	1,078	-7%
- Processed meat	34	30	13%	31	10%	92	79	16%
- Complementary products and other sales	36	36	0%	36	0%	106	100	6%
IAS 41 standard gain	(8)	2	-500%	10	-180%	14	16	-13%
<b>Gross profit</b>	<b>83</b>	<b>99</b>	<b>-16%</b>	<b>103</b>	<b>-19%</b>	<b>300</b>	<b>311</b>	<b>-4%</b>
Gross margin	20%	23%	-3pps	26%	-6pps	25%	25%	0pps
War-related expenses	(5)	(4)	25%	(10)	-50%	(20)	(12)	67%
<b>Adjusted EBITDA</b>	<b>56</b>	<b>85</b>	<b>-34%</b>	<b>72</b>	<b>-22%</b>	<b>215</b>	<b>262</b>	<b>-18%</b>
Adjusted EBITDA margin	14%	20%	-6pps	18%	-4pps	18%	21%	-3pps
<b>Adjusted EBITDA (net of IFRS 16)</b>	<b>57</b>	<b>83</b>	<b>-31%</b>	<b>71</b>	<b>-20%</b>	<b>214</b>	<b>260</b>	<b>-18%</b>
Adjusted EBITDA margin (net of IFRS 16)	14%	20%	-6pps	18%	-4pps	18%	21%	-3pps

<sup>1)</sup> pps - percentage points

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

In 9M 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 9M 2024 at US 300 million remained slightly decreased y/y, while adjusted EBITDA (net of IFRS 16) decreased to US 214 million mainly as a result of increased selling, general and administrative expenses as well as higher war-related expenses.

#### Vegetable Oil Operations

	Q3 2024	Q3 2023	% change y/y	Q2 2024	% change q/q	9M 2024	9M 2023	% change
<b>(in tonnes, unless indicated otherwise)</b>								
Sales volume of sunflower oil	100,967	126,882	-20%	118,830	-15%	330,237	372,760	-11%
Sales volume of soybean oil	11,642	11,096	5%	12,071	-4%	35,460	39,126	-9%

In 9M 2024 MHP's sales of sunflower oil decreased by 11% y/y compared to 9M 2023 to 330,237 tonnes. This decline was primarily due to a change in the production recipe for cake, resulting in lower oil production.

Sales of soybean oil decreased by 9% y/y to 35,460 tonnes in 9M 2024, compared with 39,126 tonnes in 9M 2023 but were stable compared to the previous quarter.

#### Financial results and trends

o/ o/

(in mln. US, except margin data)	Q3 2024	Q3 2023	% change y/y <sup>1)</sup>	Q2 2024	% change q/q <sup>1)</sup>	9M 2024	9M 2023	% change <sup>1)</sup>
<b>Revenue</b>	<b>119</b>	<b>143</b>	<b>-17%</b>	<b>120</b>	<b>-1%</b>	<b>355</b>	<b>488</b>	<b>-27%</b>
- Vegetable oil	110	137	-20%	115	-4%	338	463	-27%
- Related products <sup>2)</sup>	9	6	50%	5	80%	17	25	-32%
<b>Gross profit</b>	<b>16</b>	<b>21</b>	<b>-24%</b>	<b>15</b>	<b>7%</b>	<b>44</b>	<b>70</b>	<b>-37%</b>
<b>Gross margin</b>	<b>13%</b>	<b>15%</b>	<b>-2pps</b>	<b>13%</b>	<b>0pps</b>	<b>12%</b>	<b>14%</b>	<b>-2pps</b>
<b>Adjusted EBITDA</b>	<b>16</b>	<b>22</b>	<b>-27%</b>	<b>14</b>	<b>14%</b>	<b>43</b>	<b>72</b>	<b>-40%</b>
Adjusted EBITDA margin	13%	15%	-2pps	12%	1pps	12%	15%	-3pps
<b>Adjusted EBITDA (net of IFRS 16)</b>	<b>15</b>	<b>23</b>	<b>-35%</b>	<b>14</b>	<b>7%</b>	<b>42</b>	<b>71</b>	<b>-41%</b>
Adjusted EBITDA margin (net of IFRS 16)	13%	16%	-3pps	12%	1pps	12%	15%	-3pps

<sup>1)</sup> pps - percentage points;

<sup>2)</sup> Related products consist of meal, cake, husk.

The segment's revenue in 9M 2024 decreased by 27% y/y to US 355 million, resulting in lower adjusted EBITDA (net of IFRS 16) of US 42 million compared to US 71 million in 9M 2023 as a result of decline in both oil prices and volumes.

### Agriculture operations

In 2024 MHP expects to harvest around 344,500 hectares of land.

As of today, MHP's harvesting campaign of main grains and oilseeds is fully completed.

Crops current yields are as follows:

	2024		2023	
	MHP's average <sup>[1]</sup>	Ukraine's average <sup>[1]</sup>	MHP's average <sup>[1]</sup>	Ukraine's average <sup>[1]</sup>
	tonnes per hectare	tonnes per hectare	tonnes per hectare	tonnes per hectare
Corn	8.4	6.3	9.8	7.2
Wheat	7.2	4.6	6.6	4.8
Sunflower	3.0	2.1	3.1	2.4
Rapeseed	3.7	2.7	3.7	2.9
Soya	2.6	2.3	3.1	2.6

<sup>1)</sup> MHP yields are net weight, Ukraine yields are bunker weight.

The sowing campaign for winter crops has been fully completed, covering approximately 82,500 hectares (around 65% of land is under winter wheat, around 35% of land is under winter rapeseed).

### Financial result and trends

(in mln. US, unless indicated otherwise)	9M 2024	9M 2023	% change
<b>Revenue</b>	<b>276</b>	<b>138</b>	<b>100%</b>
IAS 41 standard loss	70	(88)	180%
<b>Gross profit</b>	<b>170</b>	<b>(24)</b>	<b>808%</b>
War-related expenses	(2)	(2)	0%
Adjusted EBITDA	202	-	100%
<b>Adjusted EBITDA (net of IFRS 16)</b>	<b>164</b>	<b>(32)</b>	<b>613%</b>

Agriculture Operations Segment's revenue in 9M 2024 amounted to US 276 million compared to US 138 million in 9M 2023 as a result of increased sales volumes and prices.

For 9M 2024, the IAS 41 standard showed a gain of US 70 million, in contrast to a loss of US 88 million in 9M 2023. This significant improvement was primarily driven by higher revaluation of harvested agriculture produce and crops in fields due to increased grain and oilseed prices, partially offset by lower yields.

In the 9M 2024, EBITDA (net of IFRS 16) increased to US 164 million mainly due to higher revenue and IAS 41 gain. In addition, a substantial portion of the positive EBITDA for 9M 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 <sup>1)</sup>	Q3 2024	Q3 2023	% change y/y	Q2 2024	% change q/q	9M 2024	9M 2023	% change
Sales volume, third parties, tonnes	22,266	21,180	5%	22,405	-1%	65,773	60,291	9%
Price per 1 kg net VAT, EUR	3.55	3.51	1%	3.54	0%	3.51	3.55	-1%

<sup>1)</sup> 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 9M 2024, poultry meat sales of the European Operating Segment increased by 9% y/y to 65,773 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 <sup>1)</sup>	Q3 2024	Q3 2023	% change y/y	Q2 2024	% change q/q	9M 2024	9M 2023	% change
Sales volume, third parties, tonnes	12,994	12,946	0%	11,963	9%	36,354	34,959	4%

Price per 1 kg net VAT, EUR

3.34 3.31 1% 3.37 -1% 3.36 3.31 2%

1) include sausages and convenience foods

Meat processing product sales were up by 4% y/y to 36,354 tonnes in 9M 2024 (9M 2023: 34,959 tonnes) due to increased production volumes of sausages and convenience products.

#### Financial result and trends

(in mln. US , except margin data)	Q3 2024	Q3 2023	% change y/y <sup>1)</sup>	Q2 2024	% change q/q <sup>1)</sup>	9M 2024	9M 2023	% change <sup>1)</sup>
<b>Revenue</b>	<b>150</b>	<b>144</b>	<b>4%</b>	<b>145</b>	<b>3%</b>	<b>431</b>	<b>411</b>	<b>5%</b>
IAS 41 standard gains	1	2	-50%	(1)	-200%	(3)	(2)	50%
<b>Gross profit</b>	<b>41</b>	<b>41</b>	<b>0%</b>	<b>42</b>	<b>-2%</b>	<b>113</b>	<b>106</b>	<b>7%</b>
Gross margin	27%	28%	-1pps	29%	-2pps	26%	26%	0pps
<b>Adjusted EBITDA</b>	<b>28</b>	<b>29</b>	<b>-3%</b>	<b>29</b>	<b>-3%</b>	<b>76</b>	<b>69</b>	<b>10%</b>
Adjusted EBITDA margin	19%	20%	-1pps	20%	-1pps	18%	17%	1pps
<b>Adjusted EBITDA (net of IFRS 16)</b>	<b>27</b>	<b>28</b>	<b>-4%</b>	<b>29</b>	<b>-7%</b>	<b>74</b>	<b>67</b>	<b>10%</b>
Adjusted EBITDA margin (net of IFRS 16)	18%	19%	-1pps	20%	-2pps	17%	16%	1pps

1) pps - percentage points.

European Operating Segment's revenue in 9M 2024 increased by 5% y/y to US 431 million (9M 2023: US 411 million), due to the increased sales volumes of both poultry meat and processed meat.

Adjusted EBITDA (net of IFRS 16) of US 74 million for 9M 2024 increased compared with US 67 million for 9M 2023 due to higher gross profit result.

#### Current Group cash flow

(in mln. US )	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Cash from operations</b>	<b>123</b>	<b>109</b>	<b>290</b>	<b>315</b>
Change in working capital	(1)	12	(25)	80
<b>Net Cash from operating activities</b>	<b>122</b>	<b>121</b>	<b>265</b>	<b>395</b>
<b>Cash used in investing activities</b>	<b>(94)</b>	<b>(53)</b>	<b>(259)</b>	<b>(155)</b>
<i>Including:</i>				
CAPEX <sup>1)</sup>	(83)	(66)	(217)	(158)
Acquisition of subsidiaries and investments in associates	(13)	-	(29)	-
<b>Cash from financing activities</b>	<b>(1)</b>	<b>(117)</b>	<b>(114)</b>	<b>(99)</b>
<b>Total change in cash<sup>2)</sup></b>	<b>27</b>	<b>(49)</b>	<b>(108)</b>	<b>141</b>

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 9M 2024 decreased to US 290 million (9M 2023: US 315 million).

The investments in working capital during 9M 2024 compared to release during 9M 2023 were mainly attributed to significant release of inventories of sunflower seeds and vegetable oil during 9M 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.

The other significant factors that caused negative changes in working capital include growth of advances to suppliers for energy resources and increase of VAT recoverable during 9M 2024.

In 9M 2024 total CAPEX amounted to US 217 million, marking a significant increase from US 158 million in 9M 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 9M 2024, the Group strategically strengthened its position in the agricultural and food sectors through targeted acquisitions and partnerships. The Group acquired 100% of Toni d.o.o. in Croatia for USD 11 million, enhancing grain supply chain stability, and acquired 70% of KK & Sons Group Ltd, a UK-based logistics company, for USD 5 million to boost logistics capabilities.

Additionally, the Group invested US 9 million for a 49% stake in Ukrainskyi Miasnyi Khutir in Ukraine and US 7 million in MHP Desert Hills, a poultry venture in Saudi Arabia, underscoring its commitment to diversifying operations and capturing new growth opportunities.

#### Debt Structure and Liquidity

(in mln. US )	30 September 2024	30 September 2023	31 December 2023
<b>Total Debt<sup>1) 2)</sup></b>	<b>1,496</b>	<b>1,547</b>	<b>1,537</b>
LT Debt <sup>1)</sup>	1,381	1,025	1,141
ST Debt <sup>1)</sup>	199	604	499

Trade credit facilities <sup>2)</sup>	(84)	(82)	(103)
Cash and bank deposits	(327)	(446)	(436)
<b>Net Debt<sup>1)</sup></b>	<b>1,169</b>	<b>1,101</b>	<b>1,101</b>
LTM Adjusted EBITDA <sup>1)</sup>	552	438	445
<i>Net Debt / LTM Adjusted EBITDA<sup>1)</sup></i>	<i>2.12</i>	<i>2.51</i>	<i>2.47</i>

<sup>1)</sup> 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.

<sup>2)</sup> 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 September 2024, MHP's cash and cash equivalents amounted to US 327 million, of which US 164 million was held by the Group's subsidiaries outside Ukraine.

The Net Debt / LTM adjusted EBITDA (net of IFRS 16) ratio was 2.12 as of 30 September 2024, well below the limit of 3.0 defined in the Eurobond agreement.

As of 30 September 2024, the share of long-term debt in the total outstanding debt was 92%.

#### Notes to Editors:

##### About MHP

MHP SE is the parent company of a leading international food & agotech 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 rape, 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 nine-month period  
ended 30 September 2024*

## CONTENTS

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS.....	3
MANAGEMENT REPORT.....	4
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024	
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	10
1. Corporate information.....	10
2. Basis of preparation and accounting policies.....	11
3. Changes in the group structure.....	14
4. Investments in associates.....	15
5. Segment information.....	16
6. Revenue.....	19
7. Profit for the period.....	20
8. Property, plant and equipment.....	20
9. Biological assets.....	20
10. Shareholders' equity.....	20
11. Bank borrowings.....	21
12. Bonds issued.....	23
13. Related party balances and transactions.....	25
14. Operating environment in Ukraine.....	26
15. Contingencies and contractual commitments.....	27
16. Fair value of financial instruments.....	28
17. Risk management policy.....	28
18. Subsequent events.....	30
19. Authorization of the interim condensed consolidated financial statements.....	30

## 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 September 2024 are presented on pages 6 to 30:
- 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
  - 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.

21 November 2024

Members of the Board of Directors:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria 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 nine-month period ended 30 September 2024, consolidated revenue remained stable at USD 2,262 million, compared to USD 2,294 million for the same period in 2023. Export sales accounted for 60% of revenue, totaling USD 1,368 million, which is consistent with the 60% contribution and USD 1,385 million recorded for the nine-month period ended 30 September 2023. The decrease in revenue from Poultry and related operations, along with Vegetable Oil, was offset by improved performance in Agriculture and European operations. The decline in Poultry and Vegetable Oil segments was primarily driven by lower volumes of chicken meat and oils. However, increased sales volumes and a price recovery for grains positively impacted Agriculture revenue, contributing to a balanced overall revenue position for the group.

Gross profit increased by 35% reaching USD 627 million for the nine-month period ended 30 September 2024, compared to USD 463 million for the same period in 2023. This growth was chiefly attributed to increased profitability in Agriculture operations, resulting from higher grain and oilseeds prices despite being slightly tempered by lower yields. These favourable market conditions led to a significant revaluation of crops in fields and agriculture produce harvested during the reporting period.

Operating profit rose by 40% to USD 346 million for the nine-month period ended 30 September 2024 compared to USD 247 million for the same period in 2023. This increase is largely attributed to higher gross profit, partially offset by increased payroll-related expenses in selling, general, and administrative functions, as well as additional war-related costs included under other operating expenses.

Profit for the nine-month period ended 30 September 2024 amounted to USD 141 million, compared to USD 122 million for the same period in 2023. The modest increase, especially in contrast to the rise in operating profit, was mainly due to the depreciation of UAH against foreign currencies, primarily the USD and EUR, during the reporting period. This led to a net foreign exchange loss of USD 98 million, compared to a net gain of USD 7 million in the corresponding period of 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 nine-month period ended 30 September 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](http://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 three 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](http://mhp.com.cy).

21 November 2024

On behalf of the Board:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria Kapeliushna

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the three-month and nine-month period ended 30 September 2024**  
*(in millions of US dollars, unless otherwise indicated)*

Notes	Nine-month period ended 30 September		Three-month period ended 30 September		
	2024	2023	2024	2023	
Revenue	5, 6	2,262	2,294	773	739
Net change in fair value of biological assets and agricultural produce	5	81	(74)	50	2
Cost of sales		(1,716)	(1,757)	(574)	(572)
<b>Gross profit</b>	7	<b>627</b>	<b>463</b>	<b>249</b>	<b>169</b>
Selling, general and administrative expenses		(246)	(202)	(83)	(68)
Other operating income		10	10	3	4
Other operating expenses	14	(45)	(24)	(15)	(10)
<b>Operating profit</b>	7	<b>346</b>	<b>247</b>	<b>154</b>	<b>95</b>
Finance income		18	11	4	5
Finance costs	11, 12	(119)	(120)	(39)	(40)
Foreign exchange (loss)/gain, net		(98)	7	(17)	2
<b>Profit before tax</b>		<b>147</b>	<b>145</b>	<b>102</b>	<b>62</b>
Income tax expenses		(6)	(23)	(6)	(7)
<b>Profit for the period</b>	7	<b>141</b>	<b>122</b>	<b>96</b>	<b>55</b>
<b>Other comprehensive income/(loss)</b>					
<b>Items that may be reclassified to profit or loss:</b>					
Cumulative translation difference		(74)	(2)	4	(14)
<b>Other comprehensive (loss)/income for the period</b>		<b>(74)</b>	<b>(2)</b>	<b>4</b>	<b>(14)</b>
<b>Total comprehensive income for the period</b>		<b>67</b>	<b>120</b>	<b>100</b>	<b>41</b>
Profit/(Loss) attributable to:					
Equity holders of the Parent		131	124	89	53
Non-controlling interests		10	(2)	7	2
<b>Total comprehensive income/(loss) attributable to:</b>		<b>141</b>	<b>122</b>	<b>96</b>	<b>55</b>
Equity holders of the Parent		58	122	94	40

Non-controlling interests	9	(2)	6	1
	<u>67</u>	<u>120</u>	<u>100</u>	<u>41</u>
<b>Earnings per share</b>				
Basic and diluted earnings per share (USD per share)	1.22	1.16	0.83	0.50
On behalf of the Board:				
Chief Executive Officer Kosyuk				Yuriy
Chief Financial Officer				Viktoria Kapeliushna

*The accompanying notes on the pages 10 to 30 form an integral part of these interim condensed consolidated financial statements*

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as of 30 September 2024**  
(in millions of US dollars, unless otherwise indicated)

	Notes	30 September 2024	31 December 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	1,901	1,885
Right-of-use asset		267	248
Intangible assets		72	75
Goodwill	3	75	62
Non-current biological assets		23	16
Investments in associates	4	16	1
Non-current financial assets		10	9
Deferred tax assets		1	2
		<u>2,365</u>	<u>2,298</u>
<b>Current assets</b>			
Inventories		310	333
Biological assets	9	215	171
Agricultural produce		385	370
Prepayments		49	28
Other current financial assets		38	34
Taxes recoverable and prepaid		61	30
Trade accounts receivable		215	186
Cash and cash equivalents		327	436
		<u>1,600</u>	<u>1,588</u>
<b>TOTAL ASSETS</b>		<u>3,965</u>	<u>3,886</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	285	285
Treasury shares		(45)	(45)
Additional paid-in capital		174	174
Revaluation reserve		615	706
Retained earnings		2,015	1,793
Translation reserve		(1,429)	(1,356)
<b>Equity attributable to equity holders of the Parent</b>		<u>1,615</u>	<u>1,557</u>
Non-controlling interests		20	10
<b>Total equity</b>		<u>1,635</u>	<u>1,567</u>
<b>Non-current liabilities</b>			
Bank borrowings	11	455	234
Bonds issued	12	894	891
Lease liabilities	17	207	180
Deferred tax liabilities		108	123
Deferred income		35	36
Other non-current liabilities		6	5
		<u>1,705</u>	<u>1,469</u>
<b>Current liabilities</b>			
Bank borrowings	11	188	145
Bonds issued	12	-	348

Lease liabilities	17	69	76
Interest payable	11,12	37	22
Trade accounts payable		174	142
Contract liabilities		31	18
Other current liabilities		126	99
	<b>625</b>	<b>850</b>	
<b>TOTAL LIABILITIES</b>	<b>2,330</b>	<b>2,319</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,965</b>	<b>3,886</b>	

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapeliushna

*The accompanying notes on the pages 10 to 30 form an integral part of these interim condensed consolidated financial statements*

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the nine-month periods ended 30 September 2024 and 2023**  
*(in millions of US dollars, unless otherwise indicated)*

	<i>Attributable to equity holders of the Parent</i>					
	Share capital	Treasury shares	Additional paid-in capital	Revaluation reserve	Retained earnings	Translation reserve
<b>Balance as of 1 January 2023</b>	<b>285</b>	<b>(45)</b>	<b>174</b>	<b>792</b>	<b>1,559</b>	<b>(1,337)</b>
Profit/(Loss) for the period	-	-	-	-	124	-
Other comprehensive loss	-	-	-	-	-	(2)
Total comprehensive income/(loss) for the period	-	-	-	-	124	(2)
Transfer from revaluation reserve to retained earnings	-	-	-	(46)	46	-
<b>Balance as of 30 September 2023</b>	<b>285</b>	<b>(45)</b>	<b>174</b>	<b>746</b>	<b>1,729</b>	<b>(1,339)</b>
<b>Balance as of 1 January 2024</b>	<b>285</b>	<b>(45)</b>	<b>174</b>	<b>706</b>	<b>1,793</b>	<b>(1,356)</b>
Profit for the period	-	-	-	-	131	-
Other comprehensive loss	-	-	-	-	-	(73)
Total comprehensive profit/(loss) for the period	-	-	-	-	131	(73)
Transfer from revaluation reserve to retained earnings	-	-	-	(38)	38	-
Non-controlling interests arising in a business combination	-	-	-	-	-	-
Translation differences on revaluation reserve	-	-	-	(53)	53	-
<b>Balance as of 30 September 2024</b>	<b>285</b>	<b>(45)</b>	<b>174</b>	<b>615</b>	<b>2,015</b>	<b>(1,429)</b>

On behalf of the Board:

Chief Executive Officer  
Yuriy Kosyuk

Chief Financial Officer  
Viktoria Kapeliushna

*The accompanying notes on the pages 10 to 30 form an integral part of these interim condensed consolidated financial statements*

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

	Notes	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
<b>Operating activities</b>			
Profit before tax		147	145
Non-cash adjustments to reconcile profit or loss before tax to net cash flows			
Depreciation and amortization expense	5	132	120
Net change in fair value of biological assets and agricultural produce	5	(81)	74
Change in allowance for expected credit losses and direct write-offs		1	5
Loss/(gain) on disposal of property, plant and equipment		3	-
Finance income		(18)	(11)
Finance costs	11, 12	119	120
Released deferred income		(3)	(1)
Foreign exchange loss/(gain), net		98	(7)
<b>Operating cash flows before movements in working capital</b>		<b>398</b>	<b>445</b>
<b>Working capital adjustments</b>			
Change in inventories		9	147
Change in biological assets		(68)	(105)
Change in agricultural produce		58	21
Change in prepayments made		(22)	(1)
Change in other current financial assets		(2)	(4)
Change in taxes recoverable and prepaid		(35)	18
Change in trade accounts receivable		(30)	(30)
Change in contract liabilities		18	(3)
Change in other current liabilities		23	11
Change in trade accounts payable		24	26
<b>Cash generated by operations</b>		<b>373</b>	<b>525</b>
Interest received		8	9
Interest paid		(104)	(124)
Income taxes paid		(12)	(15)
<b>Net cash flows from operating activities</b>		<b>265</b>	<b>395</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	8	(217)	(158)
Proceeds from disposals of property, plant and equipment		3	4
Purchases of intangible assets		(6)	(4)
Acquisition of subsidiaries, net of cash acquired	3	(14)	-
Investments in associates	4	(15)	-
Purchases of non-current biological assets		(1)	(2)
Prepayments and capitalized initial direct costs under lease contracts		(5)	(4)
Loans provided		(10)	(1)
Loans repaid		2	1
Investments in financial assets		4	9
<b>Net cash flows used in investing activities</b>		<b>(259)</b>	<b>(155)</b>
<b>Financing activities</b>			
Proceeds from bank borrowings		424	115
Repayment of bank borrowings		(171)	(187)
Repayment of bonds issued		(342)	-
Repayment of lease liabilities		(25)	(25)
Dividends paid by subsidiaries to non-controlling shareholders		-	(2)
<b>Net cash flows from/(used in) financing activities</b>		<b>(114)</b>	<b>(99)</b>
Net (decrease)/increase in cash and cash equivalents		(108)	141
Net foreign exchange difference on cash and cash equivalents		(1)	5
Cash and cash equivalents at 1 January		436	300
<b>Cash and cash equivalents at 30 September</b>		<b>327</b>	<b>446</b>

On behalf of the Board:

Chief Executive Officer

Yuriy Kosyuk

Chief Financial Officer

Viktoria Kapeliushna

*The accompanying notes on the pages 10 to 30 form an integral part of these interim condensed consolidated financial statements*

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**for the nine-month period ended 30 September 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 September 2024, the Group employed 35,604 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 September 2024 and 31 December 2023 were as follows:

Name	Country of registration	Year established/acquired	Principal activities	30 September 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%
Vinnytska 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 Trading	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 nine-month period ended 30 September 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 nine-month period ended 30 September 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

adopted by the European Union ("EU"), these 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 as described on pages 161 and 202-203 of the Annual Report, which is available at [mhp.com.cy](http://mhp.com.cy), continues to be relevant for these interim condensed consolidated financial statements. The updates in the economic environment conditions during January - September 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 nine-month period ended 30 September 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"><li>• IFRS 1 First-time Adoption of International Financial Reporting Standards</li><li>• IFRS 7 Financial Instruments: Disclosures</li><li>• IFRS 9 Financial Instruments</li><li>• IFRS 10 Consolidated Financial Statements</li><li>• IAS 7 Statement of Cash Flows</li></ul>	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 at 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 nine-month period ended 30 September 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 September 2024	Average for nine months ended 30 September 2024	Average for three months ended 30 September 2024	Closing rate as of 31 December 2023	Average for nine months ended 30 September 2023	Average for three months ended 30 September 2023
UAH/USD	41.1664	39.7258	41.1412	37.9824	36.5686	36.5686
USD/EUR	1.1163	1.0872	1.0979	1.1112	1.0837	1.0894
USD/GBP	1.3391	1.2769	1.2990	1.2766	1.2443	1.2671
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.

#### ***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 nine-month period ended 30 September 2024**

*(in millions of US dollars, unless otherwise indicated)*

### **3. Changes in the group structure**

#### **Acquisition of Toni Group**

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)
<b>Total identifiable net assets</b>	<b>5.5</b>
Goodwill arising on acquisition (provisional)	9.1
<b>Total consideration due and payable</b>	<b>14.6</b>

Analysis of cash flows on acquisitions:

<b>Net cash acquitted on acquisition</b>	<b>3.6</b>
Cash paid	14.6
<b>Net cash outflow on acquisition</b>	<b>11.0</b>

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 was outstanding as at 30 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. If the acquisition of Toni had been completed on the first day of the financial year, the Group revenues for the nine-months period ended 30 September 2024 would have been USD 2,270 million and the Group profit would have been USD 142 million.

#### **Acquisition of KK & Sons Group**

In May 2024, the Group entered into a share purchase agreement to acquire 70% of the corporate rights in KK & SONS GROUP LTD, a company engaged in logistic services in Ukraine and abroad. The total estimated consideration for this acquisition is USD 3.9 million.

As of the reporting date, the Group has made a payment of USD 3.9 million for the acquisition of 70% of the corporate rights in the company. The fair value of the company's net assets is USD 2.0 million while goodwill from the acquisition amounted to USD 2.5 million.

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

#### **3. Changes in the group structure (continued)**

During the reporting period, the Group's goodwill increased due to the acquisition of Toni d.o.o. and KK & Sons Group Ltd, which added USD 12 million while the remaining change is result of translation adjustment. Consequently, the net book value of goodwill increased from USD 62 million at 31 December 2023 to USD 75 million as at 30 September 2024. No impairment losses were recognized during the period.

#### **4. 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, two payments of EUR 7.9 million were made to acquire 49% 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 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 of 30

control, the investment is classified as an associate and is accounted for using the equity method as of 30 September 2024, with a carrying value of USD 8.7 million.

## ***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 invested SAR 26,810 thousand (equivalent to USD 7.1 million) in this entity, of which 25% (or USD 1.8 million) was paid in June 2024, and the remaining 75% (or USD 5.3 million) was paid in September 2024.

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 September 2024, the carrying amount of the investment is USD 7.0 million.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the nine-month period ended 30 September 2024

(in millions of US dollars, unless otherwise indicated)

## 5. 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 nine-month period ended 30 September 2024**

(in millions of US dollars, unless otherwise indicated)

## 5. Segment information (continued)

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

Septem.  
*Poultry*

	<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	1,200	355	276	431	2,262	-	2,262
Sales between business segments	11	127	151	-	289	(289)	-
<b>Total revenue</b>	<b>1,211</b>	<b>482</b>	<b>427</b>	<b>431</b>	<b>2,551</b>	<b>(289)</b>	<b>2,262</b>
<b>Segment results</b>	<b>153</b>	<b>40</b>	<b>155</b>	<b>57</b>	<b>405</b>	-	<b>405</b>
Unallocated corporate expenses						(59)	
Other expenses, net <sup>1)</sup>						(199)	
<b>Profit before tax</b>							<b>147</b>
<b>Other information:</b>							
Depreciation and amortization expense <sup>2)</sup>	62	3	47	19	131	-	131
Net change in fair value of biological assets and agricultural produce	14	-	70	(3)	81	-	81

<sup>1)</sup> Includes finance income, finance costs, foreign exchange loss (net);

<sup>2)</sup> Depreciation and amortization for the nine-month period ended 30 September 2024 does not include unallocated depreciation and amortization in the amount of USD 1.9 million.

The following table presents revenue and profit information regarding the Group's operating segments for the nine-month period ended 30 September 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	1,257	488	138	411	2,294	-	2,294
Sales between business segments	5	129	161	-	295	(295)	-
<b>Total revenue</b>	<b>1,262</b>	<b>617</b>	<b>299</b>	<b>411</b>	<b>2,589</b>	<b>(295)</b>	<b>2,294</b>
<b>Segment results</b>	<b>199</b>	<b>69</b>	<b>(36)</b>	<b>53</b>	<b>285</b>	-	<b>285</b>
Unallocated corporate expenses						(38)	
Other expenses, net <sup>1)</sup>						(102)	
<b>Loss before tax</b>							<b>145</b>
<b>Other information:</b>							
Depreciation and amortization expense <sup>2)</sup>	63	3	36	16	118	-	118
Net change in fair value of biological assets and agricultural produce	16	-	(88)	(2)	(74)	-	(74)

<sup>1)</sup> Includes finance income, finance costs, foreign exchange gain (net);

<sup>2)</sup> Depreciation and amortization for the nine-month period ended 30 September 2023 does not include unallocated depreciation and amortization in the amount of USD 2.2 million.

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

### 5. Segment information (continued)

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

	<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	412	119	92	150	773	-	773
Sales between business segments	3	43	56	-	102	(102)	-
<b>Total revenue</b>	<b>415</b>	<b>162</b>	<b>148</b>	<b>150</b>	<b>875</b>	<b>(102)</b>	<b>773</b>
<b>Segment results</b>	<b>36</b>	<b>15</b>	<b>104</b>	<b>21</b>	<b>176</b>	-	<b>176</b>
Unallocated corporate expenses						(22)	
Other expenses, net <sup>1)</sup>						(52)	
<b>Profit before tax</b>							<b>102</b>
<b>Other information:</b>							

**5.1.1 Segment information**

Depreciation and amortization expense <sup>2)</sup>	20	1	16	7	44	-	44
Net change in fair value of biological assets and agricultural produce	(8)	-	57	1	50	-	50

<sup>1)</sup> Includes finance income, finance costs, foreign exchange loss (net);

<sup>2)</sup> Depreciation and amortization for the three-month period ended 30 September 2024 does not include unallocated depreciation and amortization in the amount of USD 0.5 million.

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

	Poultry and related operations	Vegetable oils operations	Agriculture operations	European operating segment	Total reportable segments	Eliminations	Consolidated
External sales	425	143	27	144	739	-	739
Sales between business segments	2	49	61	-	112	(112)	-
<b>Total revenue</b>	<b>427</b>	<b>192</b>	<b>88</b>	<b>144</b>	<b>851</b>	<b>(112)</b>	<b>739</b>
<b>Segment results</b>	<b>65</b>	<b>19</b>	<b>4</b>	<b>25</b>	<b>113</b>	<b>-</b>	<b>113</b>
Unallocated corporate expenses						(18)	
Other expenses, net <sup>1)</sup>						(33)	
<b>Profit before tax</b>						<b>62</b>	
<b>Other information:</b>							
Depreciation and amortization expense <sup>2)</sup>	20	3	11	4	38	-	38
Net change in fair value of biological assets and agricultural produce	2	-	(2)	2	2	-	2

<sup>1)</sup> Includes finance income, finance costs, foreign exchange gain (net);

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2024

(in millions of US dollars, unless otherwise indicated)

### 5. Segment information (continued)

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

	2024	2023
Ukraine	1,904	1,911
Europe	433	371
The Middle East and North Africa (MENA)	2	4
	<b>2,338</b>	<b>2,286</b>

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

### 6. Revenue

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

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2024	2023	2024	2023
<b>Poultry and related operations segment</b>				
Chicken meat	1,002	1,078	342	359
Processed meat	92	79	34	30
Other poultry related sales	106	100	36	36
	<b>1,200</b>	<b>1,257</b>	<b>412</b>	<b>425</b>
<b>Vegetable oil operations segment</b>				
Vegetable oil	338	463	110	137
Oil related products	17	25	9	6
	<b>355</b>	<b>488</b>	<b>119</b>	<b>143</b>
<b>Agricultural operations segment</b>				

Grain	238	112	82	18
Other agricultural sales	38	26	10	9
	<u>276</u>	<u>138</u>	<u>92</u>	<u>27</u>
<b>European operating segment</b>				
Chicken meat	256	245	89	83
Processed meat	133	123	48	47
Other agricultural sales	42	43	13	14
	<u>431</u>	<u>411</u>	<u>150</u>	<u>144</u>
	<u>2,262</u>	<u>2,294</u>	<u>773</u>	<u>739</u>

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

	<i>Nine-month period ended 30 September</i>		<i>Three-month period ended 30 September</i>	
	<i>2024</i>		<i>2023</i>	
	<i>Export</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
Export	1,368	1,385	414	411
Domestic	894	909	359	328
	<u>2,262</u>	<u>2,294</u>	<u>773</u>	<u>739</u>

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

**7. Profit for the period**

The Group's gross profit for the nine-month period ended 30 September 2024 increased to USD 627 million (30 September 2023: USD 463 million). This growth was driven mainly by higher gross profit generated by agriculture operations resulting from higher grain and oilseeds prices despite being slightly tempered by lower yields.

Consequently, operating profit increased by 40% to USD 346 million for the nine-month period ended 30 September 2024 compared to USD 247 million for the nine-month period ended 30 September 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 nine-month period ended 30 September 2024 amounted to USD 141 million, compared to USD 122 million for the nine-month period ended 30 September 2023. The modest increase, especially in contrast to the rise in operating profit, was mainly due to the depreciation of UAH against foreign currencies, primarily the USD and EUR, during the reporting period. This led to a net foreign exchange loss of USD 98 million, compared to a net gain of USD 7 million in the corresponding period of 2023.

**8. Property, plant and equipment**

During the nine-month period ended 30 September 2024, the Group's additions to property, plant and equipment amounted to USD 221 million (nine-month period ended 30 September 2023: USD 162 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 nine-month periods ended 30 September 2024 and 30 September 2023.

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

**9. Biological assets**

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

	<i>30 September 2024</i>	<i>31 December 2023</i>
Number of shares issued and fully paid	110,770,000	110,770,000
Number of shares outstanding <sup>1)</sup>	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 September 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 nine-month period ended 30 September 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 September 2024 and 31 December 2023:

	Currency	30 September 2024		31 December 2023	
		WAIR <sup>1)</sup>	USD	WAIR <sup>1)</sup>	USD
<b>Non-current</b>					
	EUR	EURIBOR <sup>2)</sup> + 1.00%	113	EURIBOR <sup>2)</sup> + 1,05%	116
	EUR	0,11 %	2	-	-
	USD	SOFR <sup>3)</sup> + 3,91%	326	SOFR <sup>3)</sup> + 3,70%	101
	USD	UIRD <sup>4)</sup> + 6,00%	13	UIRD <sup>4)</sup> + 6,76%	17
	UAH	UIRD <sup>4)</sup> +4,00%	1	-	-
			<b>455</b>		<b>234</b>
<b>Current</b>					
	EUR	EURIBOR <sup>2)</sup> + 2,30%	25	-	-
	EUR	4,48%	33	6,26%	43
	USD	SOFR <sup>3)</sup> + 2,48%	22	-	-
	USD	5,50%	4	7,38%	47
	UAH	-	-	11,85%	13
Current portion of long-term bank borrowings	EUR	EURIBOR <sup>2)</sup> + 1,00%	28	EURIBOR <sup>2)</sup> + 1,05%	28
	EUR	0,11%	1	-	-
	USD	SOFR <sup>3)</sup> + 3,91%	71	SOFR <sup>3)</sup> + 3,70%	14
	USD	UIRD <sup>4)</sup> + 6,00%	4	-	-
			<b>188</b>		<b>145</b>
<b>Total bank borrowings</b>			<b>643</b>		<b>379</b>

- 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.

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

**11. Bank borrowings (continued)**

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 September 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 September 2024 and 31 December 2023:

	30 September 2024		31 December 2023	
Credit lines		84		103
Term loans		559		276
		<b>643</b>		<b>379</b>

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

	2024	31 December 2023
Within one year	188	145
In the second year	114	49
In the third to fifth year inclusive	341	167
After five years	-	18
	<b>643</b>	<b>379</b>

As of 30 September 2024, the Group had undrawn facilities of USD 292 million (31 December 2023: USD 468 million). These undrawn facilities expire during the period until October 2025.

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, Zemoproduct MHP, Katerinopil'skiy Elevator, Agrofort, SPF Urozhay, MHP SE, Scylla Capital Limited, Myronivska Pticefabrika, Vinnytska Ptakhofabryka.

As of 30 September 2024, the Group had borrowings of USD 162 million secured by property, plant and equipment with a collateral amount of USD 153 million (31 December 2023: USD 148 million and USD 127 million, respectively).

As of 30 September 2024, the Group had borrowings of USD 47 million that were secured by agricultural produce with a carrying amount of USD 59 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 September 2024, the cash balance with carrying amount of USD 2 million (31 December 2023: USD 19 million) was restricted to secure issued letters of credit

As of 30 September 2024 and 31 December 2023, interest payable on bank borrowings was USD 17.5 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 September 2024, the Group has complied with all covenants. As at 30 September 2024, the Group's leverage ratio decreased to 2.12 to 1, below the defined limit of 3.0 to 1, compared with 2.41 and 2.47 to 1 as at 30 June 2024 and 31 December 2023 respectively.

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

#### **11. Bank borrowings (continued)**

##### ***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.

#### **12. Bonds issued**

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

	Carrying amount		Nominal amount	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<b>Non-current</b>				
6.25% Senior Notes due in 2029	348	348	350	350
6.95% Senior Notes due in 2026	546	543	550	550
	<b>894</b>	<b>891</b>	<b>900</b>	<b>900</b>
<b>Current</b>				
7.75% Senior Notes due in 2024	-	348	-	349
	<b>-</b>	<b>348</b>	<b>-</b>	<b>349</b>
Unamortized debt issuance cost	-	-	(6)	(10)
<b>Total bonds issued</b>	<b>894</b>	<b>1,239</b>	<b>894</b>	<b>1,239</b>

As of 30 September 2024 and 31 December 2023, the amount of interest payable on bonds issued was USD 19.5 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, "Vinnytska 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 nine-month period ended 30 September 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 416 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, PrJSC "MHP", PJSC "Myronivsky Plant of Manufacturing Feeds and Groats", PrJSC "Zernoprodukt MHP", PrJSC "Agrofort", PrJSC "Oril-Leader", PrJSC "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 nine-month period ended 30 September 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.

#### **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,

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2024**

*(in millions of US dollars, unless otherwise indicated)*

#### **12. Bonds issued (continued)**

##### **Covenants (continued)**

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 September 2024, the Group has complied with all covenants. As at 30 September 2024, the Group's leverage ratio decreased to 2.12 to 1, below the defined limit 3.0 to 1, compared to 2.41 and 2.47 to 1 as at 30 June 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 nine-month periods ended 30 September 2024 and 30 September 2023 were as follows:

<i>in thousand USD</i>	<i>Nine-month period ended 30 September 2024</i>	<i>Nine-month period ended 30 September 2023</i>
Loans and finance aid provided to related parties	503	46
Interest charged on loans and finance aid provided	148	245
Sales to related parties	722	346
Purchases from related parties	472	415
Key management personnel of the Group:		
Loans provided	490	277
Loans repaid	304	279
The balances owed to and due from related parties were as follows as of 30 September 2024 and 31 December 2023:		
<i>in thousand USD</i>	<i>30 September 2024</i>	<i>31 December 2023</i>
Loans and finance aid receivable	4,371	3,815
Less: expected credit losses	(2,002)	(2,101)
	2,369	1,714
Loans to key management personnel	3,469	3,564
Less: expected credit losses	(605)	(414)
	2,864	3,150
Trade accounts receivable	414	391
Payables due to related parties	11	53
Payables due to associates (Note 8)	40	-

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2024**

*(in millions of US dollars, unless otherwise indicated)*

### 13. Related party balances and transactions (continued)

#### **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 1,766 thousand and USD 1,894 thousand as of 30 September 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 14,409 thousand and USD 15,704 thousand for the nine-month periods ended 30 September 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.

The Ukraine's GDP kept growing, despite the mentioned and other challenges caused by the War that included migration and the labor shortages. As a result, NBU revised its forecast for GDP growth in 2024 upward, to 4%.

In September, inflation accelerated to 8.6% y/y and, according to the NBU, continued to rise in October. The rise in food prices made a significant contribution to this development due to worse-than-expected harvests of various crops and the related increase in the cost of raw materials for the food industry. The acceleration in inflation was also driven by a further increase in production costs, including electricity and labor, and exchange rate effects of the hryvnia depreciation in previous periods. In the coming months, price pressures will persist due to the continued influence of factors from food supply, expansion of budget expenditures, high wage growth, and an increase in the energy deficit during the heating season. As a result, inflation will reach 9.7% by the end of 2024.

The NBU cut its key policy rate to 13% p.a. compared to 15% p.a. effective at 31 December 2023 and updated forecast envisages keeping it unchanged at least until the summer of 2025. 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.

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.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2024

(in millions of US dollars, unless otherwise indicated)

### 14. Operating environment (continued)

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

	2024	2023
Salary to mobilized employees <sup>2)</sup>	16.0	14.0
Support donations to communities and defense forces <sup>1)</sup>	13.6	4.8
Write-off of damaged inventories and biological assets <sup>1)</sup> (Note 7)	6.3	0.2
Other war-related expenses <sup>1)</sup>	1.8	3.6
<b>Total amount recognized in profit or loss</b>	<b>37.7</b>	<b>22.6</b>

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 2023 and 31 December 2022 meeting the regulatory deadlines.

As of 30 September 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 recognized relating to such possible tax exposure.

As of 30 September 2024, companies of the Group were engaged in ongoing litigation with tax authorities for the amount of USD 34 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 28 million as of 30 September 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 maintained disputes with tax authorities in the amount of USD 26 million as at 31 December 2023, but there were not such disputes as at 30 September 2024.

### Contractual commitments on purchase of property, plant and equipment

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.

During the nine-month period ended 30 September 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 September 2024, purchase commitments amounted to USD 72 million (31 December 2023: USD 67 million).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### for the nine-month period ended 30 September 2024

(in millions of US dollars, unless otherwise indicated)

## 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	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023

### Financial liabilities

Bank borrowings (Note 11)	660	381	663	382
Senior Notes due in 2024, 2026, 2029 (Note 12)	914	1,259	750	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

In determining the fair value of financial instruments, the impact of potential climate related factors, 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 September 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 September 2024</i>					
Bank borrowings	660	730	230	500	-
Bonds issued	914	1,097	71	1,026	-
Lease liabilities	276	525	70	248	207
Trade accounts payable	174	174	174	-	-
Other current financial liabilities	126	126	126	-	-
<b>Total</b>	<b>2,150</b>	<b>2,652</b>	<b>671</b>	<b>1,774</b>	<b>207</b>
<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	-	-
<b>Total</b>	<b>2,137</b>	<b>2,680</b>	<b>904</b>	<b>1,181</b>	<b>595</b>

#### 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 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 September 2024 and 31 December 2023 were as follows:

	30 September 2024		31 December 2023	
	USD	EUR	USD	EUR
Total assets				
Total liabilities <sup>1)</sup>	169	117	255	107
Net (liabilities)/assets	1,385	128	1,449	225
	<b>(1,216)</b>	<b>(11)</b>	<b>(1,194)</b>	<b>(118)</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 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 Hrynia 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.

	<i>Change in foreign currency exchange rates</i>	<i>Effect on profit before tax, gain/(loss)</i>
<b>2024</b>		
Increase in USD exchange rate	10%	(122)
Increase in EUR exchange rate	10%	(1)
Decrease in USD exchange rate	2%	24
Decrease in EUR exchange rate	2%	-
<b>2023</b>		
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 nine-month period ended 30 September 2024, the Ukrainian Hryvnia depreciated against the EUR by 8.2% and the USD by 7.7% (nine-month period ended 30 September 2023: appreciated against the EUR by 1.0%, while the official exchange rate of UAH against the USD remained unchanged). As a result, during the nine-month period ended 30 September 2024, the Group recognized a net foreign exchange loss in the amount of USD 98 million (nine-month period ended 30 September 2023: net foreign exchange gain in the amount of USD 7 million) in the interim condensed consolidated statement of profit or loss and other comprehensive income.

#### **18. Subsequent events**

There are no subsequent events to mention.

#### **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 21 November 2024.



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

QRTFIFIDLFLFFIS