



# Interim report

For the six months ended 30 June 2024

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## Consolidated management report

### ► Financial and operational results

#### Financial and operational results

The following table sets forth the Company's results of operations derived from the Condensed consolidated financial statements:

(in thousand USD)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Changes, %
<b>CONTINUING OPERATIONS</b>			
Revenue	108 321	71 952	51%
Gain from changes in fair value of biological assets and agricultural produce, net	27 523	23 114	19%
Cost of sales	(82 698)	(62 527)	32%
<b>GROSS PROFIT</b>	<b>53 146</b>	<b>32 539</b>	<b>63%</b>
Administrative expenses	(4 972)	(4 798)	4%
Selling and distribution expenses	(19 620)	(13 243)	48%
Other operating income	1 272	608	109%
Other operating expenses	(1 338)	(6 432)	-79%
Write-offs of property, plant and equipment	(7)	(25)	-74%
<b>OPERATING PROFIT</b>	<b>28 481</b>	<b>8 649</b>	<b>229%</b>
Financial expenses, net	(582)	(414)	41%
Financial effect of lease of right-of-use assets	(3 157)	(2 643)	19%
Foreign currency exchange (loss)/gain, net	(3 182)	599	-631%
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>21 560</b>	<b>6 191</b>	<b>248%</b>
Income tax expenses, net	(40)	89	-144%
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>21 520</b>	<b>6 280</b>	<b>243%</b>
<b>Normalised EBITDA</b>	<b>37 679</b>	<b>17 060</b>	<b>121%</b>

The increase in normalised EBITDA in 1H2024, as well as the increase in net profit for the period, is due to increase in sales volumes and increase in grain prices on the reporting date.

#### Revenue

The Company's revenue from sales of finished products increased by 51% in 1H2024 in comparison with previous period.

The following table sets forth the Company's sales revenue by products indicated:

(in thousand USD)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Changes, %
Corn	65 932	62 370	6%
Sunflower	13 992	134	10342%
Wheat	27 602	8 926	209%
Other	708	376	88%
	<b>108 234</b>	<b>71 806</b>	<b>51%</b>

The most significant portion of the Company's revenue comes from selling corn, which represented 60,9% in 1H2024 and 86,9% in 1H2023 of total revenue.

The following table sets forth the volume of the Company's main crops and revenues generated from the sales of such crops:

	<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>
<b>Corn</b>		
Sales of produced corn (in tonnes)	449 275	329 108
Realization price (U.S. \$ per ton)	147	190
Revenue from produced corn (U.S. \$ in thousands)	65 932	62 370
<b>Sunflower</b>		
Sales of produced sunflower (in tonnes)	42 051	357
Realization price (U.S. \$ per ton)	333	375
Revenue from produced sunflower (U.S. \$ in thousands)	13 992	134
<b>Wheat</b>		
Sales of produced wheat (in tonnes)	167 649	40 417
Realization price (U.S. \$ per ton)	165	221
Revenue from produced wheat (U.S. \$ in thousands)	27 602	8 926
<b>Other (produced only)</b>		
Total sales volume (in tonnes)	15 108	8 781
Total revenues (U.S. \$ in thousands)	708	376
<b>Total sales volume (in tonnes)</b>	<b>674 083</b>	<b>378 663</b>
<b>Total revenue from sale of crops (U.S. \$ in thousands)</b>	<b>108 234</b>	<b>71 806</b>

In 1H2024, the company managed to increase the total amount of revenue only due to an increase in sales volumes, which overshadowed a significant decrease in prices.

### **Cost of sales**

The Company's cost of sales changed to USD 82,7 million in current period from USD 62,5 million in previous period. The following table sets forth the principal components of the Company's cost of sales for the periods indicated:

(in thousand USD)	<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>	<b>Changes, %</b>
Raw materials	(48 535)	(64 156)	-24%
Change in inventories and work-in-progress	(11 753)	28 088	-142%
Depreciation and amortization	(8 724)	(8 002)	9%
Wages and salaries of operating personnel and related charges	(6 585)	(6 086)	8%
Fuel and energy supply	(5 289)	(9 033)	-41%
Third parties' services	(1 035)	(2 423)	-57%
Rent	(217)	(501)	-57%
Repairs and maintenance	(331)	(217)	52%
Taxes and other statutory charges	(161)	(166)	-3%
Other expenses	(68)	(31)	119%
	<b>(82 698)</b>	<b>(62 527)</b>	<b>32%</b>

A 32% increase in cost of sales in 1H2024 is consistent with an increase in sales.

### Foreign currency exchange, net

As at 30 June 2024 Ukrainian Hryvnia devaluated against the USD compared 31 December 2023 by 6,7% (there was no changes in UAH/USD rate as at 30 June 2023 compared 31 December 2022), 6,7% of devaluation for the average rate 1H2024/1H2023 in comparison with 26,5% of devaluation for the average rate 1H2023/1H2022. During the 1H2024 the Group recognised net foreign exchange loss in the amount of USD 3 182 thousand compared to USD 599 thousand of net gain in 1H2023 (relates mostly to the revaluation of loans) in the Consolidated statement of comprehensive income.

### Cash flows

The following table sets out a summary of the Company's cash flows for the periods indicated:

(in thousand USD)	<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>	<b>Changes, %</b>
Net cash flows from operating activities	25 403	12 577	102%
Net cash flows from investing activities	(13 160)	(2 658)	395%
Net cash flows from financing activities	(11 701)	(11 733)	0%
<b>Net increase in cash and cash equivalents</b>	<b>542</b>	<b>(1 814)</b>	<b>-130%</b>

The Company's net cash inflow from operating activities increased to USD 25,4 million in current period from USD 12,6 million of outflow in previous period. The increase in 1H2024 was primarily attributable to increase in sales volume.

The Company's net cash outflow from investing activities increased to USD 13,2 million in 1H2024 from USD 2,7 million in 1H2023 which is in line with the Group's CAPEX program.

Net cash outflow from financing activities remained unchanged at the level of USD 11,7 million, reflecting the balance between funds raised and paid out.

## **Alternative performance measures**

Certain measures were included in this report but they are not measures of performance under IFRS - Alternative performance measures (APM). Management believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs are used for performance analysis, planning, reporting.

Alternative performance measures are:

- Normalised EBITDA
- Debt
- Net Borrowings
- Current ratio
- Interest coverage
- Segment's results

### Normalised EBITDA

Earnings before interest, taxes, depreciation and amortisation (EBITDA) is calculated as revenue less expenses, the latter excluding tax, interest, depreciation and amortisation. Being a proxy to the operating cash flow before working capital changes, EBITDA is widely used as an indicator of a company's ability to generate cash flows, as well as its ability to service debt. Consequently, the management EBITDA serves as a measure to estimate financial stability of the Company. Besides, excluding the effect of depreciation and amortisation along with cost of capital and taxation provides to external users another measures comparable to similar companies regardless of varying tax environments, capital structures or accounting policies regarding depreciation and amortization.

The Company calculates Normalised EBITDA by adjusting Net profit for the expense items that are deemed to be substantially beyond the control of management, as well as items believed to be non-recurring. The Normalised EBITDA for the periods presented is calculated based on historical information derived from the Consolidated financial statements.

The reconciliation to Normalised EBITDA for the period (from continuing operations) is presented as follows:

(in thousand USD)	<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>	<b>Changes, %</b>
<b>CONTINUING OPERATIONS</b>			
Net profit/(loss) for the period	21 520	6 280	
Financial expenses, net	582	414	
Income tax expenses, net	40	(89)	
Depreciation and amortization	9 191	8 386	
Write-offs of property, plant and equipment	7	25	
Financial effect of lease of right-of-use assets	3 157	2 643	
Foreign currency exchange (loss)/gain, net	3 182	(599)	
<b>Normalised EBITDA</b>	<b>37 679</b>	<b>17 060</b>	<b>121%</b>

The Group believes that these measures better reflect the Group core operating activities and provide both management and investors with information regarding operating performance, which is more useful for evaluating the financial position of the Group than traditional measures, to the exclusion of external factors unrelated to their performance.

### **Debt**

Debt is defined as bank borrowings. The Group believes that Debt is commonly used by securities analysts, investors and other interested parties in the evaluation of a company's leverage.

### **Net Borrowings**

Net borrowings is defined as bank borrowings (Debt) less cash and cash equivalents. The Group believes that Net borrowings is usually used in conjunction with Debt when assessing a company's leverage.

### **Current ratio**

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations. The ratio considers the weight of total current assets versus total current liabilities. It indicates the financial health of a company and how it can maximize the liquidity of its current assets to settle debt and payables.

### **Interest coverage**

The interest coverage ratio measures the ability of a company to pay the interest on its outstanding debt. This measurement is used by creditors, lenders, and investors to determine the risk of lending funds to a company. The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by its interest expense during a given period.

### **Segment's results**

The Group uses as a key measures of segment operating performance Gross income of the segment. Expenses and incomes that are not included in gross income are not allocated to each segment and are presented separately as unallocated. Actually indicators Operating income, Profit before tax and Net profit of a segment are Gross income of the segment.

**Selected Financial Data**

(in thousand USD, unless otherwise stated)		<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>
I.	Revenue	108 321	71 952
II.	Operating profit/(loss)	28 481	8 649
III.	Profit/(loss) before income tax	21 560	6 191
IV.	Net profit/(loss)	21 520	6 280
V.	Net cash flow from operating activity	25 403	12 577
VI.	Net cash flow from investing activity	(13 160)	(2 658)
VII.	Net cash flow from financing activity	(11 701)	(11 733)
VIII.	Total net cash flow	542	(1 814)
IX.	Total assets	320 122	331 956
X.	Share capital	62	62
XI.	Total equity	154 100	156 869
XII.	Non-current liabilities	119 562	117 865
XIII.	Current liabilities	46 460	57 222
XIV.	Weighted average number of shares	35 500 464	35 500 464
XV.	Profit/(loss) per ordinary share (in USD)	0,61	0,18
XVI.	Total equity per share (in USD)	4,34	4,42

## Management Responsibility Statement

This statement is provided to confirm that, to the best of our knowledge, the Condensed consolidated financial statements for the six months ended 30 June 2024, and the comparable information, have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit or loss of IMC S.A. Group and the undertakings included in the consolidation taken as a whole and that the consolidated management report includes a fair review of the development and performance of the business and the position of IMC S.A. Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors:

Chief Executive Officer                      Oleksandr Verzhychovskiy                      signed

Chief Financial Officer                      Dmytro Martyniuk                      signed

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the six months ended 30 June 2024**

*(in thousand USD, unless otherwise stated)*

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
<b>CONTINUING OPERATIONS</b>			
Revenue	6	108 321	71 952
Gain from changes in fair value of biological assets and agricultural produce, net	7	27 523	23 114
Cost of sales	8	(82 698)	(62 527)
<b>GROSS PROFIT</b>		<b>53 146</b>	<b>32 539</b>
Administrative expenses	9	(4 972)	(4 798)
Selling and distribution expenses	10	(19 620)	(13 243)
Other operating income	11	1 272	608
Other operating expenses	12	(1 338)	(6 432)
Write-offs of property, plant and equipment		(7)	(25)
<b>OPERATING PROFIT/(LOSS)</b>		<b>28 481</b>	<b>8 649</b>
Financial expenses, net	15	(582)	(414)
Financial effect of lease of right-of-use assets	19	(3 157)	(2 643)
Foreign currency exchange (loss)/gain, net	16	(3 182)	599
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>21 560</b>	<b>6 191</b>
Income tax expenses, net	17	(40)	89
<b>NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>21 520</b>	<b>6 280</b>
Net profit/(loss) for the period attributable to:			
Owners of the parent company		21 701	6 441
Non-controlling interests		(181)	(161)
Weighted average number of shares			
		35 500 464	35 500 464
Basic profit/(loss) per ordinary share (in USD)			
		0,61	0,18
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Effect of foreign currency translation		(9 207)	-
<b>Items that will no be reclassified to profit or loss:</b>			
Deferred tax charged directly to amortization of revaluation reserve		93	274
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>(9 114)</b>	<b>274</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>		<b>12 406</b>	<b>6 554</b>
Comprehensive income/(loss) attributable to:			
Owners of the parent company		12 504	6 715
Non-controlling interests		(98)	(161)

signed

Oleksandr Verzhychkovskyy  
Chief Executive Officer

signed

Dmytro Martyniuk  
Chief Financial Officer

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2024**

*(in thousand USD, unless otherwise stated)*

	Note	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	18	77 022	72 265	43 557
Right-of-use assets	19	105 536	106 975	115 271
Intangible assets	20	277	337	397
Prepayments for property, plant and equipment		979	342	2 743
<b>Total non-current assets</b>		<b>183 814</b>	<b>179 919</b>	<b>161 968</b>
<b>Current assets</b>				
Inventories	21	9 278	89 508	43 557
Current biological assets	22	93 999	11 294	92 910
Trade accounts receivable, net	23	2 568	4 051	2 215
Prepayments and other current assets, net	24	14 571	11 023	7 999
Prepayments for income tax		256	211	257
Cash and cash equivalents	26	15 636	16 198	23 050
<b>Total current assets</b>		<b>136 308</b>	<b>132 285</b>	<b>169 988</b>
<b>TOTAL ASSETS</b>		<b>320 122</b>	<b>312 204</b>	<b>331 956</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Equity attributable to the owners of parent company</b>				
Share capital	27	62	62	62
Share premium	27	37 425	37 425	37 425
Revaluation reserve	27	46 364	48 554	32 715
Retained earnings		261 644	237 660	264 191
Effect of foreign currency translation		(190 521)	(181 231)	(176 767)
<b>Total equity attributable to the owners of parent company</b>		<b>154 974</b>	<b>142 470</b>	<b>157 626</b>
Non-controlling interests		(874)	(776)	(757)
<b>Total equity</b>		<b>154 100</b>	<b>141 694</b>	<b>156 869</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	17	2 184	2 434	1 610
Long-term loans and borrowings	28	15 043	902	3 408
Long-term lease liabilities as to right-of-use assets	19	102 335	99 188	112 847
<b>Total non-current liabilities</b>		<b>119 562</b>	<b>102 524</b>	<b>117 865</b>
<b>Current liabilities</b>				
Current portion of long-term loans and borrowings	28	5 466	19 427	2 666
Current portion of long-term lease liabilities as to right-of-use assets	19	7 582	12 931	11 806
Short-term loans and borrowings	29	21 435	25 398	25 398
Trade accounts payable	30	5 690	2 312	12 260
Other current liabilities and accrued expenses	31	6 287	7 918	5 092
<b>Total current liabilities</b>		<b>46 460</b>	<b>67 986</b>	<b>57 222</b>
<b>Total liabilities</b>		<b>166 022</b>	<b>170 510</b>	<b>175 087</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>320 122</b>	<b>312 204</b>	<b>331 956</b>

signed

Oleksandr Verzhychkovskiy  
Chief Executive Officer

signed

Dmytro Martyniuk  
Chief Financial Officer

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2024

(in thousand USD, unless otherwise stated)

	Share capital	Share premium	Revaluation reserve	Retained earnings	Effect of foreign currency translation	Total	Non-controlling interests	Total equity
<b>31 December 2022 (audited)</b>	62	37 425	33 136	257 055	(176 767)	150 911	(596)	150 315
<b>Comprehensive income/(loss) for the period</b>								
Profit/(loss) for the period	-	-	-	6 441	-	6 441	(161)	6 280
Amortization of revaluation reserve	-	-	(695)	695	-	-	-	-
Deferred tax charged directly to amortization of revaluation reserve	-	-	274	-	-	274	-	274
<b>Total comprehensive profit/(loss)</b>	-	-	(421)	7 136	-	6 715	(161)	6 554
<b>30 June 2023 (unaudited)</b>	62	37 425	32 715	264 191	(176 767)	157 626	(757)	156 869
<b>31 December 2023 (audited)</b>	62	37 425	48 554	237 660	(181 231)	142 470	(776)	141 694
<b>Comprehensive income/(loss) for the period</b>								
Profit/(loss) for the period	-	-	-	21 701	-	21 701	(181)	21 520
Amortization of revaluation reserve	-	-	(2 283)	2 283	-	-	-	-
Deferred tax charged directly to amortization of revaluation reserve	-	-	93	-	-	93	-	93
Other comprehensive income	-	-	-	-	(9 290)	(9 290)	83	(9 207)
<b>Total comprehensive profit/(loss)</b>	-	-	(2 190)	23 984	(9 290)	12 504	(98)	12 406
<b>30 June 2024 (unaudited)</b>	62	37 425	46 364	261 644	(190 521)	154 974	(874)	154 100

signed

Oleksandr Verzhukovskiy  
Chief Executive Officer

signed

Dmytro Martyniuk  
Chief Financial Officer

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the six months ended 30 June 2024**

*(in thousand USD, unless otherwise stated)*

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit/(loss) before tax from continuing operations		21 560	6 191
Adjusted to reconcile profit before tax with net cash used in operating activities:			
Gain from changes in fair value of biological assets and agricultural produce, net	7	(27 523)	(23 114)
Disposal of revaluation of biological assets and agricultural produce in the cost of sales, net	8	6 461	26 362
Depreciation and amortization	13	9 191	8 386
Financial effect of lease of right-of-use assets	19	3 157	2 643
Interest expenses and other financial expenses	15	1 564	968
Foreign currency exchange loss/(gain), net	16	3 327	91
Loss/(gain) on disposal of property, plant and equipment	11 , 12	(554)	(170)
Write-offs of property, plant and equipment		7	25
Gain on recovery of assets previously written off	11	(7)	(14)
Interest income	15	(982)	(554)
Accruals for unused vacations		781	678
Write-offs of VAT	12	19	18
Shortages and losses due to impairment of inventories	12	2	6 130
Income from write-offs of accounts payable	11	(13)	(40)
(Gain)/loss on disposal of inventories	11	(39)	(158)
Allowance for doubtful accounts receivable	12	113	8
Effect of modification of right-of-use assets	11	(415)	(168)
<b>Cash flows from operating activities before changes in working capital</b>		<b>16 649</b>	<b>27 282</b>
Changes in trade accounts receivable		1 433	5 962
Changes in prepayments and other current assets		(3 579)	1 844
Changes in inventories		72 728	13 842
Changes in current biological assets		(60 802)	(40 933)
Changes in trade accounts payable		3 666	9 401
Changes in other current liabilities and accrued expenses		(2 760)	(3 320)
<b>Cash flows from operations</b>		<b>27 335</b>	<b>14 078</b>
Interest paid on loans and borrowings		(1 459)	(937)
Interest paid on lease liabilities as to right-of-use assets		(365)	(307)
Income tax paid		(108)	(257)
<b>Net cash flows from operating activities</b>		<b>25 403</b>	<b>12 577</b>

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Oleksandr Verzhychkovskyi  
Chief Executive Officer

\_\_\_\_\_ signed

Dmytro Martyniuk  
Chief Financial Officer

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS** (continued)

**For the six months ended 30 June 2024**

*(in thousand USD, unless otherwise stated)*

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(14 176)	(2 834)
Proceeds from disposal of property, plant and equipment		1 016	176
<b>Net cash flows from investing activities</b>		<b>(13 160)</b>	<b>(2 658)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from long-term loans and borrowings		1 681	-
Proceeds from short-term loans and borrowings		10 917	7 898
Repayment of long-term loans and borrowings		(1 502)	(3 470)
Repayment of short-term loans and borrowings		(14 880)	(11 367)
Repayment of long-term and short-term lease liabilities as to right-of-use assets (land)		(7 214)	(4 086)
Repayment of long-term and short-term lease liabilities as to right-of-use assets (other)		(703)	(708)
<b>Net cash flows from financing activities</b>		<b>(11 701)</b>	<b>(11 733)</b>
<b>NET CASH FLOWS</b>		<b>542</b>	<b>(1 814)</b>
Cash and cash equivalents as at the beginning of the period	26	16 198	24 864
Effect of translation into presentation currency		(1 104)	-
Cash and cash equivalents as at the end of the period	26	15 636	23 050

\_\_\_\_\_ signed

Oleksandr Verzhikhovskiy  
Chief Executive Officer

\_\_\_\_\_ signed

Dmytro Martyniuk  
Chief Financial Officer

## ➤ 1 Description of formation and business

IMC S.A. (the “Parent company”) is a limited liability company registered under the laws of Luxembourg on 28 December 2010 for an unlimited period of time. IMC S.A. was formed to serve as the ultimate holding company of Unigrain Holding Limited and its subsidiaries. The registered address of IMC S.A. is L-1468, 16 rue Erasme, Luxembourg, Grand Duchy Luxembourg, its register number within the Registre de Commerce et des Sociétés du Luxembourg is RCS B157843.

IMC S.A. and its subsidiaries (the “Group” or the “IMC”) is an integrated agricultural company in Ukraine. The main areas of the Group’s activities are:

- cultivation of grain and oilseeds crops;
- storage of grain and oilseeds crops.

The Group is among Ukraine’s top-10 agricultural producers. The grain and oilseeds crops produced by the Group are sold in both the Ukrainian and export markets.

All companies comprising the Group were under the control of the same beneficial owner Mr. Petrov O. as at all the reporting dates and have effectively operated as an operating group under common management.

The principal activities of the companies comprising the Group are as follows:

Operating entity	Principal activity	Registered office	Year established/ acquired	Cumulative ownership ratio, %	
				30 June 2024	30 June 2023
IMC S.A.	Holding company	Luxembourg	28.12.2010	100	100
Burat-Agro Ltd.	Agricultural production	Ukraine	31.12.2007	100	100
Burat Ltd.	Grain elevator	Ukraine	31.12.2007	-*	100
Chernihiv Industrial Milk Company Ltd.	Agricultural and farming production	Ukraine	31.12.2007	100	100
PrJSC Mlibor	Grain elevator	Ukraine	31.05.2008	74,41	74,41
Unigrain Holding Limited	Subholding company	Cyprus	02.06.2009	100	100
Aristo Eurotrading Limited	Trading company	British Virgin Islands	30.08.2011	100	100
PrJSC “Vryvske HPP”	Grain elevator	Ukraine	28.12.2011	80,61	80,61
PAC Slobozhanschina Agro	Agricultural production	Ukraine	26.06.2012	100	100
Agroprogress PE	Agricultural production	Ukraine	28.12.2012	100	100
Bobrovitsky Hlebzavod Ltd	Bakery production	Ukraine	28.12.2012	100	100
PrJSC “Bobrovitske HPP”	Grain elevator	Ukraine	28.12.2012	92,83	92,83
Negoce Agricole S.a r.l.	Trading company	Luxembourg	19.11.2013	100	100
AgroKIM Ltd.	Agricultural production, grain elevator	Ukraine	30.12.2013	100	100
Aristo Eurotrading HK Limited	Trading company	Hong Kong	21.06.2019	100	100

\*In July 2023 Burat Ltd was joined to Burat-Agro Ltd.

Today IMC is the vertically integrated and high-technology group of companies operating in Sumy, Poltava and Chernihiv region (northern and central Ukraine).

The Group controls 120,3 thousand ha (120,0 thousand ha under processing of high quality arable land). In 2024 the Group operates in two segments - crop farming and elevators and warehouses.

The financial year of the Group begins on 01 January of each year and terminates on 31 December of each year.

The Group's Consolidated financial statements are public and available at:

<http://www.imcagro.com.ua/en/investor-relations/financial-reports>.

Stock information about the Company (company code name on WSE: IMCOMPANY (LU0607203980)):

<https://www.gpw.pl/company-factsheet?isin=LU0607203980>

## 2 Basis of preparation of the consolidated financial statements

### Statement of compliance

These Condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union. These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

These Condensed consolidated interim financial statements are based on principal accounting policies and critical accounting estimates and judgments that are set out below. These accounting policies and assumptions have been applied consistently to all periods presented in these Condensed consolidated interim financial statements.

Companies comprising the Group which are incorporated in Ukraine maintain their accounting records in accordance with Ukrainian regulations. Ukrainian statutory accounting principles and procedures differ from those generally accepted under IFRS. Accordingly, the Condensed consolidated interim financial statements, which have been prepared from the Ukrainian statutory accounting records for the entities of the Group domiciled in Ukraine, reflect adjustments necessary for such financial statements to be presented in accordance with IFRS.

These Condensed consolidated interim financial statements as at 30 June 2024 prepared in compliance with IFRS as approved by the European Union are approved on behalf of the Group's Board of Directors on 29 August 2024.

### Going concern

These Condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the disposal of assets and the settlement of liabilities in the normal course of business. The recoverability of Group's assets, as well as the future operations of the Group, may be significantly affected by the current and future economic environment. Management believes that Group has reliable access to sources of financing capable to support appropriate operating activity of Group entities. These Condensed consolidated financial statements do not include any adjustments should the Group be unable to continue as a going concern. For further information, relating to the going concern, see page 28.

### Basis of measurement

The Condensed consolidated financial statements are prepared under historical cost basis except for the revalued amounts of property, plant and equipment, fair values of biological assets and agricultural produce.

### Use of estimates

The preparation of these Condensed consolidated financial statements involves the use of reasonable accounting estimates and requires the Management to make judgments in applying the Group's accounting policies. These estimates and assumptions are based on Management's best knowledge of current events, historical experience and other factors that are believed to be reasonable. Note 4 contains areas, related to a high degree of importance or complexity in decision-making, or areas where assumptions and estimates are important for amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period.

## Foreign currency translation

The Group's management has decided to present and measure these Condensed consolidated financial statements in United States Dollars ("USD") for the purposes of convenience of users of these Condensed consolidated financial statements.

### Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). For the companies of the Group operating in Ukraine the Ukrainian Hryvna ("UAH") is the functional currency. For the companies operating in Cyprus and Luxembourg the functional currency is Euro ("EUR").

These Condensed consolidated financial statements are presented in the thousands of United States Dollars ("USD"), unless otherwise indicated.

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The principal exchange rates used in the preparation of these Condensed consolidated financial statements are as follows:

Currency	30 June 2024	Average for 1H2024	31 December 2023	30 June 2023	Average for 1H2023	31 December 2022
UAH/USD	40,5374	39,01027	37,9824	36,5686	36,5686	36,5686
EUR/USD	1,07	1,08	1,11	1,09	1,08	1,07

### Translation into presentation currency

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the official rate at the date of the balance sheet;
- income and expenses are translated at average exchange rate for the period, unless fluctuations in exchange rates during that period are significant, in which case income and expenses are translated at the rate on the dates of the transactions;
- all the equity and provision items are translated at the rate on the dates of the transactions;
- all resulting exchange differences are recognized as a separate component of other comprehensive income;
- in the consolidated statement of cash flows cash balances at the beginning and end of each presented period are translated at rates prevailing at corresponding dates. All cash flows are translated at average exchange rates for the periods presented. Exchange differences arising from the translation are presented as the effect of translation into presentation currency.

## Principles of consolidation

### Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the

consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Financial statements of parent company and its subsidiaries, which are used while preparing the Condensed consolidated financial statements, are prepared as at the same date on the basis of consistent application of accounting policy for all companies of the Group.

## ▶ 3 Summary of material accounting policies

### Property, plant and equipment

Property, plant and equipment are stated at their revalued amounts that are the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

If there is no data about the market value of property, plant and equipment due to the nature of highly specialized machinery and equipment, such objects are evaluated according to acquisition expenses under present-day conditions, adjusted by an ageing percentage.

Property, plant and equipment of acquired subsidiaries are initially recognised at their fair value which is based on valuations performed by independent professionally appraisers.

Valuations are performed frequently enough to ensure that the fair value of a remeasured asset does not differ materially from its carrying amount as at reporting date.

Increases in the carrying amount arising on revaluation of property, plant and equipment are recognised in other comprehensive income and accumulated in equity under the line Revaluation reserve. Decreases in the carrying amount as a result of a revaluation are in profit or loss. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Decrease related to previous increase of the same asset is recognized against other reserves directly in equity.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by an entity (in the amount that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) and when the asset is derecognized (in the full amount).

Subsequent major costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that these replacements will materially extend the life of property, plant and equipment or result in future economic benefits. The carrying amount of the replaced part is derecognized. All other day-to-day repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment or their essential component are written-off in a case of their disposal or if future economic benefits from use or disposal of such asset are not expected. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the other incomes (expenses) in the consolidated statement of comprehensive income when the asset is derecognized.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated.

Depreciation on assets is calculated using the straight-line method to allocate their revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings 15-55 years
- Machinery 5-30 years
- Motor vehicles 5-20 years
- Other assets 5-20 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Land is not depreciated.

Construction in progress comprises costs directly related to the construction of property, plant and equipment, as well as the relevant variable and fixed overhead costs related to the construction. These assets are depreciated from the moment when they are ready for operation.

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income in other income (expenses) when the asset is derecognized.

The Group determines whether the useful life of an intangible asset is finite or indefinite.

Useful life of intangible assets is indefinite if the Group suggests that the period during which it is expected that the object of intangible assets will generate net cash inflows to the organization has no foreseeable limit. Intangible assets with indefinite useful lives are not amortized, but reviewed for impairment.

Amortisation of intangible assets is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The following estimated useful lives, which are re-assessed annually, have been determined for classes of finite-lived intangible assets:

- Land lease rights 5-15 years
- Computer software 5 years

### Impairment of property, plant and equipment and intangible assets

The carrying amounts of property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of a cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. Value in use is the net present value of expected future cash flows, discounted on a pre-tax basis, using a rate that reflects current market assessments of the time value of money.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## Biological assets

The biological assets are classified as non-current and current depending on the expected pattern of consumption of the economic benefits embodied in the biological assets.

The Group distinguishes the category Current biological assets of plant-breeding.

The Group assesses a biological asset at initial recognition and at each balance sheet date at fair value less costs to sell, except for the cases where the fair value cannot be determined with reasonable assurance.

Gains or losses from movements in the fair value of biological assets less estimated selling and distribution expenses of the Group are recorded in the period they are incurred in the consolidated statement of comprehensive income as Gain (loss) from changes in fair value of biological assets and agricultural produce, net.

The Group capitalizes expenses between the reporting dates into the cost of biological assets.

- Biological assets of plant-breeding  
The capitalized expenses include all the direct costs and overhead costs related to the farming division. Such costs may include the following costs: raw materials (seeds, mineral fertilizers, fuel and other materials), wages and salaries expenses of production personnel and related charges, amortization and depreciation, land lease expenses and other taxes, third parties' services and other expenses related to the cultivation and harvesting of biological assets of plant-breeding.

The expenses on works connected with preparation of the lands for future harvest are included into the Inventories as work-in-progress. After works on seeding on these lands the cost of field preparation is reclassified to biological assets held at fair value.

## Agricultural produce

The Group classifies the harvested product of the biological assets as agricultural produce. Agricultural produce is measured at its fair value less costs to sell at the point of harvest. The difference between the cost and fair value less costs to sell at the point of harvest of harvested agricultural produce is recognized in the consolidated statement of comprehensive income as Gain (loss) from changes in fair value of biological assets and agricultural produce, net.

After the initial recognising as at the date of harvesting agricultural produce is treated as inventories. Agricultural produce measurement as at the date of harvest becomes inventories' cost to account.

## Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of agriculture produce is its fair value less costs to sell at the point of harvesting.

The cost of work in progress and finished goods includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity). Costs are capitalized in work in progress for preparing and treating land prior to seeding in the next period. Work in progress is transferred to biological assets once the land is seeded.

The cost of inventories is assigned by using FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group periodically analyses inventories to determine whether they are damaged, obsolete or slow-moving or if their net realizable value has declined, and makes an allowance for such inventories. If such situation occurred, the sum remissive the cost of inventories should be reflected as a part of other expenses in consolidated statement of comprehensive income.

## Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition for the items not measured at Fair Value through Profit or Loss (FVTPL). Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### Financial assets

All regular way purchases or sales of financial assets are recognized on a trade date basis.

All recognized financial assets are measured subsequently in their entirety at their amortised cost or fair value, depending on the classification of the financial assets.

The Group's financial assets include cash and cash equivalents, trade receivables and other receivables and are classified as Financial assets at amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The Group recognises a loss allowance for expected credit losses on financial assets and updates the allowance at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of comprehensive income.

### Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

The Group's financial liabilities include trade payables and other payables, loans and borrowings, which are classified as Financial liabilities at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash payments (including all fees and points or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises a financial liability only when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the sum of the consideration paid and payable is recognised in consolidated statement of comprehensive income.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in consolidated statement of comprehensive income.

## Prepayments and other non-financial assets

Prepayments are reflected at nominal value less VAT and accumulated impairment losses, other non-financial assets are reflected at nominal value less accumulated impairment losses.

Prepayments are classified as non-current assets when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised as a part of other expenses in Consolidated statement of comprehensive income.

## Cash and cash equivalents

Cash and cash equivalents include cash in bank and cash in hand, call deposits.

## Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### **Taxation**

- **Income tax**

Income tax expense represents the amount of the tax currently payable and deferred tax.

Income tax expenses are recorded as expenses or income in the consolidated statement of comprehensive income, except when they relate to items directly attributable to other comprehensive income (in which case the amount of tax is taken to other comprehensive income), or when they arise at initial recognition of company acquisition.

- i. **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

- ii. **Deferred income tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

- **Single tax 4<sup>th</sup> group (previously Fixed agricultural tax)**

According to effective legislation, the Ukrainian consolidated companies of the Group involved in production, processing and sale of agricultural products may opt for paying single tax 4<sup>th</sup> group in lieu of income tax, land tax and some other local taxes if the revenues from sale of their own agricultural products constitute not less than 75% of their total (gross) revenues. The single tax 4<sup>th</sup> group is assessed at 0,95% on the deemed value of the land plots owned or leased by the entity (0,95% in 2023). As at 30 June 2024, 5 of the companies comprising the Group were elected to pay single tax 4<sup>th</sup> group (2023: 5).

- Value added tax (VAT)  
VAT output equals to the total amount of VAT collected within a reporting period, and arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer. VAT input is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT input arise on the earlier of the date of payment to the supplier or the date goods are received.  
Revenue, expenses and assets are recognized less VAT amount, except cases, when VAT arising on purchases of assets or services, is not recoverable by tax authority; in this case VAT is recognized as part of purchase costs or part of item of expenses respectively. Net amount of VAT, recoverable by tax authority or paid, is included into accounts receivable and payable, reflected in consolidated statement of financial position.
- Other taxes payable  
Other taxes payable comprise liabilities for taxes other than above, accrued in accordance with legislation enacted or substantively enacted by the end of the reporting period.

## Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. A five-step model is established to account for revenue from contracts with customers.

The Group performed an analysis of five-step model as follows:

- the Group concludes contract with the customers in written form, where the parties and each party's rights are mentioned, all conditions relating goods or services, payments and delivery are described.
- the Group is in the business of crops cultivation, dairy farming and providing storage and processing services. Crops and services are sold on their own in separate identified contracts with customers. So the sale of crops and dairy farming products or providing of services is the only performance obligation in contracts with customers.
- the Group receives only short-term advances from its clients and they are presented as a part of Other current liabilities and accrued expenses. The contracts do not contain any variable considerations or warranty obligations. The transaction price is clearly stated in the contract.
- finished products and services transferred to customers at a point in time.

Therefore, the Group recognizes revenue as follows:

- Sales of goods  
Revenue from sales of goods is recognised when a performance obligation is satisfied or when the customer obtains control of the goods. If the Group agrees to transport goods to a specified location, revenue is recognised when the goods are passed to the customer at the destination point. The Group uses standardised INCOTERMS which define the point of risks and reward transfers.
- Rendering of services  
Revenue from rendering services is recognized at the moment of transfer to the customer control over the product or service.

## Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

## Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## Contingent assets and liabilities

Contingent liabilities are not recognized in the Condensed consolidated financial statements. The Group discloses information about contingent liabilities in the Notes to the Condensed consolidated financial statements if any, except for the cases where fulfillment of contingent liabilities is unlikely; because of the remoteness of the event (possible repayment period is more than 12 months).

The Group constantly analyzes contingent liabilities to determine the possibility of their repayment. If the repayment of a liability, which was previously characterized as contingent, becomes probable, the Group records the provision for the period in which repayment of the obligation has become probable.

Contingent assets are not recognized in the Condensed consolidated financial statements, but disclosed in the Notes where there is a reasonable possibility of future economic benefits.

## Share capital

Ordinary shares issued are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction. Any excess of the fair value of consideration received over the par value of shares issued is presented in Condensed consolidated financial statements as Share premium.

## Dividends

Dividends are recognized as a liability and deducted from shareholders' equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Condensed consolidated financial statements are authorized for issue.

## Share based payment

Management Incentive Plan defined an option for a Management to purchase the Group's new shares under the subscription price. The issue of these new shares has an impact on Equity – it increases the line Share capital in the amount of subscription and the line Share premium in the amount that quoted share price exceeds subscription price. The expenses arising from share-based payment transactions are recognized as services received and included in Wages and salaries and related charges of administrative personnel of the period in a full amount.

## Earnings per share

Earnings per share are determined by dividing the net profit or loss attributable to the owners of Parent company by the weighted average number of shares outstanding during the reporting period.

## Income from the exchange of property certificates

When the items of property, plant and equipment are acquired in exchange for non-cash asset (property certificate), the initial value of such assets is estimated at fair value. The difference between the price paid for property certificates and the fair value of received items of property, plant and equipment is recognized as income in the period of the exchange operation.

## Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. Investment income resulting from temporary investment of received borrowing costs, until their expensing for the purchase of capital construction objects, shall be deducted from the cost of raising borrowing costs that may be capitalized.

All other borrowing costs are expensed in the period they occur.

## ▶ 4 Critical accounting estimates and judgments

The preparation of the Group's Condensed consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Used estimates and assumptions are reviewed by the Management of the Group on a continuous basis, by reference to past experiences, current trends and all available information that is relevant at the time of preparation of Condensed consolidated financial statements. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and subsequent periods, if both periods are affected.

In the process of applying the Group's accounting policies, Management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts reflected in the Condensed consolidated financial statements.

### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the Condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **Fair value of property, plant and equipment**

The Group engages an independent appraiser to determine the fair value of property, plant and equipment on a regular basis.

The assessment is conducted in accordance with International Valuation Standards for property. The assessment procedure is carried out for all groups of property, plant and equipment. The fair value of items of property, plant and equipment is estimated on the basis of comparative and cost plus approaches.

The comparative approach is based on an analysis of sales prices and offers of similar items of property, plant and equipment, taking into account the appropriate adjustments for differences between the objects of comparison and assessment item. Based on the application of this approach, the fair value of property, plant and equipment is determined on the basis of their market value.

The cost approach involves the definition of present value of costs of reconstruction or replacement of the assessment item with their further adjustment by the depreciation (impairment) amount. Based on the application of this approach, the fair value of certain items of property, plant and equipment is determined in the amount of the replacement of these items. The cost plus method is adjusted by the income method data, which is based on the discounted cash flow model.

This model is most sensitive to the discount rate, as well as to the expected cash flows and growth rates used for the extrapolation purposes. Judgments of the Group in determining the indices used in the appraisers' calculations may have a significant effect on the determination of fair value of property, plant and equipment, and hence on their carrying amount.

The fair value of property, plant and equipment of all the Group's companies has been measured as at 31 December 2023 by an independent appraiser LLC "Asset Expertise" (ODS Certificate No.548/2022 as of 14 November 2022 issued by State Property Fund of Ukraine).

#### **Fair value of biological assets**

Due to an absence of an active market for current biological assets of plants-breeding in Ukraine, to determine the fair value of these biological assets, the Group used the discounted value of net cash flows expected from assets as at reporting date. Discounted value of net cash flows is estimated at year-end based on the planted hectares and various assumptions, including estimated market price at the time of harvest, yield, costs to complete, costs to sell and discount rate.

#### **Fair value of agricultural produce**

The Group estimates the fair value of agricultural produce at the date of harvesting using the prices observed on the market from an independent source. Costs to sell at the point of harvest are estimated based on expected future selling costs that depend on conditions of sales agreements. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting.

#### **Fair value of financial instruments**

The fair value of financial assets and liabilities is determined by applying various valuation methodologies. Management uses its judgment to make assumptions based on market conditions existing at each balance sheet date. Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. Management uses discounted cash flow analysis for various loans and receivables as well as debt instruments that are not traded in active markets. The effective interest rate is determined by reference to the interest rates of instruments available to the Group in active markets. In the absence of such instruments, the effective interest rate is determined by reference to the interest rates of active market instruments available adjusted for the Group's specific risk premium estimated by management.

### **Useful lives of property, plant and equipment**

Items of property, plant and equipment owned by the Group are depreciated using the straight-line method over their useful lives, which are calculated in accordance with business plans and operating calculations of the Group's Management with respect to those assets.

The estimated useful life and residual value of non-current assets are influenced by the rate of exploitation of assets, servicing technologies, changes in legislation, unforeseen operational circumstances. The Group's management periodically reviews the applicable useful lives. This analysis is based on the current technical condition of assets and the expected period in which they will generate economic benefits to the Group.

Any of the above factors may affect the future rates of depreciation, as well as carrying and residual value of property, plant and equipment.

There were no changes in accounting estimates of remaining useful lives of items of property, plant and equipment during 1Q2024.

### **Impairment of property, plant and equipment and intangible assets**

An impairment review is conducted at the balance sheet date. To test property, plant and equipment and intangible assets for impairment, the Group's business is treated as two cash generating units: farming division and storage and processing. The recoverable amount of the cash-generating unit is determined on the basis of value in use. The amount of value in use for the cash-generating unit is determined on the basis of the most recent budget estimates prepared by management and application of the income approach of valuation.

## Inventories

As at the reporting date the Group assesses the need to reduce the carrying amount of inventories to their net realizable value. The measurement of impairment is based on the analysis of market prices for similar inventories existing at the reporting date and published in official sources. Such assessments can have a significant impact on the carrying amount of inventories.

Besides, at each balance sheet date, the Group assesses inventories for surplus and obsolescence and determines the allowance for obsolete and slow moving inventories. Changes in assessment can influence the amount of required allowance for obsolete and slow moving inventories either positively or negatively.

At the reporting date the item Work-in-progress includes expenses on works connected with preparation of the lands for the future harvest obtained from the biological assets of plant growing. The cost of work in progress includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity). Costs allocation to Work-in-progress includes a number of judgments of management based on the recommendations of scientific sources and agronomic calculations of the internal services of the Group.

Inventories as at the year-end are an estimate resulting in a surplus/decrease in inventories when stock take is performed in subsequent year.

Inventory balances at the reporting dates are confirmed by inventories. But the amount of grain at the elevators and the method of its storage do not allow weighing of the whole grain at the time of the inventory. Therefore, enterprises use other methods for determining the amount of grain at the elevator.

The method consists in the following:

- there is passport data of the volume of silo storage tanks
- the commission inventories each tank and determines the volume filled with grain
- there is an indicator "nature of grain", i.e. its weight in 1 liter
- the volume of grain is multiplied by its nature and the amount of grain in kg is obtained

But in fact, deviations are possible due to permissible errors in grain moisture, which resulting in a surplus/decrease in inventories when stock take is performed in subsequent year during the cleaning of the elevator.

## Provision for expected credit losses

The Group uses a provision matrix to calculate expected credit losses for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## Impairment of non-financial assets

Management assesses whether there are any indicators of possible impairment of non-financial assets at each reporting date. If any events or changes in circumstances indicate that the current value of the assets may not be recoverable or the assets, goods or services relating to a prepayment will not be received, the Group estimates the recoverable amount of assets. If there is objective evidence that the Group is not able to collect all amounts due to the original terms of the agreement, the corresponding amount of the asset is reduced directly by the impairment loss in the consolidated statement of comprehensive income. Subsequent and unforeseen changes in assumptions and estimates used in testing for impairment may lead to the result different from the one presented in the Condensed consolidated financial statements.

## Taxation

The Group mostly operates in the Ukrainian tax jurisdiction. The Group's management must interpret and apply existing legislation to transactions with third parties and its own activities. Significant judgment is required in determining the provision for direct and indirect taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

As a result of unstable economic situation in Ukraine, tax authorities in Ukraine pay more and more attention to the business cycles. In connection with it, tax laws in Ukraine are subject to frequent changes. Furthermore, there are cases of their inconsistent application, interpretation and execution. Non-compliance with laws and norms may lead to serious fines and penalties accruals.

Management at every reporting period reassessed the Group's uncertain tax positions. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the reporting period and any known Court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the reporting period.

The Group considers that it operates in compliance with tax laws of Ukraine.

The Group also operates in Luxembourg, Cyprus and British Virgin Islands tax jurisdictions and are in compliance with local tax laws.

## **Legal proceedings**

The Group's Management makes significant assumptions in estimation and reflection of the risk of exposure to contingent liabilities related to current legal proceedings and other unliquidated claims, as well as other contingent liabilities. Management's judgments are required in assessing the possibility of a secured claim against the Group or material obligations, as well as in determining probable amounts of final payment or obligations. Due to the uncertainties inherent in the evaluation process, actual expenses may differ from the initial calculations.

These preliminary estimates are subject to changes as new information becomes available from the Group's internal specialists, if any, or from third parties, such as lawyers. Revisions of such estimates may have a significant impact on future operating results.

## **Operating environment and going concern**

### **Operating environment**

With a start of full-scale invasion of Ukraine by Russian Federation on 24 February 2022, the further stable development of Ukrainian economy became a challenge and the operating environment remains risky and with high levels of uncertainty.

In 1H2024, consumer inflation amounted to 4,2% (according to the Ministry of Economy of Ukraine).

The Ukrainian economy experienced significant challenges and the government heavily relied on international financial support. The Ukrainian government received financing and donations from international organizations and various countries to support financial stability and to finance social related payments and military needs (International Monetary Fund, European Union, and directly from numerous countries).

### **Going concern**

On 24 February 2022 the Russian Federation launched a full-scale military invasion of Ukraine, which not only affected the economic and social life of the country, but also posed a number of operational issues for the Company. At the time of publication of this Report the war is ongoing and the significant general uncertainties inherent to the continued war exist.

Management prepared its budget for the next 12 months based on the known facts and events, but there is a significant uncertainty over the future development of military invasion, its duration and impact on the Group. The following key assumptions were used for the forecasts: no further significant progression of Russian troops into the territory of Ukraine that could severely affect the Group's assets; no critical assets preventing the Group to continue operations are damaged or located in the uncontrolled territories; remaining logistic routes will continue to be available; maintain minimum sales level to cover minimum operational expenses level and debt servicing; ability to run harvesting campaign.

Based on these forecasts, Management concluded that it is appropriate to prepare the Condensed consolidated interim financial statements on a going concern basis. However, due to the currently unpredictable effects of the ongoing War on the significant assumptions underlying forecasts, Management concluded 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.

## ▶ 5 New and amended standards and interpretations

### Issued but not yet effective standards

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

Standards and Interpretations	Effective for annual period beginning on or after
IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments (Disclosures – Supplier Finance Arrangements)	1 January 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	1 January 2025

The management does not expect that the adoption of the Standards listed above will have a material impact on the Condensed consolidated financial statements of the Group in future periods.

## 6 Revenue

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Revenue from sales of finished products	a	108 234	71 806
Revenue from services rendered	b	87	146
		<b>108 321</b>	<b>71 952</b>

### Disaggregation of revenue from contracts with customers

The Group presented disaggregated revenue based on the type of finished products (a) and services provided to customers (b), the type of customers (c) and the timing of transfer of goods and services (d).

a) Revenue from sales of finished products was as follows:

	For the six months ended	For the six months ended
	30 June 2024	30 June 2023
	Unaudited	Unaudited
Corn	65 932	62 370
Sunflower	13 992	134
Wheat	27 602	8 926
Other	708	376
	<b>108 234</b>	<b>71 806</b>

b) Revenue from services rendered was as follows:

	For the six months ended	For the six months ended
	30 June 2024	30 June 2023
	Unaudited	Unaudited
Transport	44	107
Storage	29	26
Other	14	13
	<b>87</b>	<b>146</b>

c) Revenue by the type of customers was as follows:

	For the six months ended	For the six months ended
	30 June 2024	30 June 2023
	Unaudited	Unaudited
Export	88 041	58 931
Domestic	20 280	13 021
	<b>108 321</b>	<b>71 952</b>

d) All finished products and services transferred to customers at a point in time.

➤ **7 Gain from changes in fair value of biological assets and agricultural produce, net**

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Agricultural produce	22	(978)	(105)
Current biological assets	22	28 501	23 219
		<b>27 523</b>	<b>23 114</b>

➤ **8 Cost of sales**

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Raw materials	a	(48 535)	(64 156)
Change in inventories and work-in-progress	b	(11 753)	28 088
Depreciation and amortization	13	(8 724)	(8 002)
Wages and salaries of operating personnel and related charges	14	(6 585)	(6 086)
Fuel and energy supply		(5 289)	(9 033)
Third parties' services		(1 035)	(2 423)
Rent		(217)	(501)
Repairs and maintenance		(331)	(217)
Taxes and other statutory charges		(161)	(166)
Other expenses		(68)	(31)
		<b>(82 698)</b>	<b>(62 527)</b>

a) Raw materials for the six months ended 30 June 2024 include disposal of the gain recorded on initial recognition of realized agriculture produce and biological assets in the amount of USD 6 461 thousand (USD 26 362 thousand for the six months ended 30 June 2023).

b) Change in inventories and work-in-progress comprises changes in work-in-progress, agricultural produce and current biological assets.

## ➤ 9 Administrative expenses

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Wages and salaries of administrative personnel and related charges	14	(3 932)	(3 785)
Depreciation and amortisation	13	(265)	(243)
Professional services	a	(191)	(183)
Third parties' services		(86)	(101)
Bank services		(117)	(144)
Repairs and maintenance		(89)	(64)
Transport expenses		(127)	(132)
Other expenses		(165)	(146)
		<b>(4 972)</b>	<b>(4 798)</b>

## ➤ 10 Selling and distribution expenses

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Forwarding services		(17 909)	(12 485)
Delivery costs		(1 447)	(556)
Wages and salaries of sales personnel and related charges	14	(182)	(111)
Depreciation	13	(24)	(39)
Other expenses		(58)	(52)
		<b>(19 620)</b>	<b>(13 243)</b>

## ➤ 11 Other operating income

	Note	For the six months ended	For the six months ended
		30 June 2024	30 June 2023
		Unaudited	Unaudited
Income from write-offs of accounts payable		13	40
Gain on recovery of assets previously written off		7	14
Gain on disposal of PPE		554	170
Gain on disposal of inventories		39	158
Effect of modification of right-of-use assets		415	168
Other income		244	58
		<b>1 272</b>	<b>608</b>

## ▶ 12 Other operating expenses

	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Unaudited	Unaudited
Depreciation	13	(178)	(102)
Charity		(948)	(87)
Wages and salaries of non-operating personnel and related charges	14	(4)	(3)
Shortages and losses due to impairment of inventories		(2)	(6 130)
Write-offs of VAT		(19)	(18)
Allowance for doubtful accounts receivable	25	(113)	(8)
Other expenses		(74)	(84)
		<b>(1 338)</b>	<b>(6 432)</b>

## ▶ 13 Depreciation and amortisation

	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Unaudited	Unaudited
<b>Depreciation</b>			
Cost of sales	8	(8 688)	(7 951)
Administrative expenses	10	(261)	(102)
Selling and distribution expenses	12	(24)	(181)
Other operating expenses	9	(178)	(39)
		<b>(9 151)</b>	<b>(8 273)</b>
<b>Amortisation</b>			
Cost of sales	8	(36)	(51)
Administrative expenses	10	(4)	(62)
		<b>(40)</b>	<b>(113)</b>
		<b>(9 191)</b>	<b>(8 386)</b>

## ▶ 14 Wages and salaries expenses

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
	Unaudited	Unaudited
Wages and salaries	(8 970)	(8 424)
Related charges	(1 733)	(1 561)
	<b>(10 703)</b>	<b>(9 985)</b>
The average number of employees, persons	1 745	1 695
Remuneration of management	703	614

The distribution of wages and salaries and related charges was as follows:

Note	For the six months ended 30 June 2024		For the six months ended 30 June 2023		
	Wages and salaries and related charges, thousand USD	Average number of employees, persons	Wages and salaries and related charges, thousand USD	Average number of employees, persons	
	Unaudited		Unaudited		
Operating personnel	8	(6 585)	1 234	(6 086)	1 189
Administrative personnel	9	(3 932)	492	(3 785)	488
Sales personnel	10	(182)	17	(111)	16
Non-operating personnel	12	(4)	2	(3)	2
		<b>(10 703)</b>	<b>1 745</b>	<b>(9 985)</b>	<b>1 695</b>

## ➤ 15 Financial expenses, net

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
	Unaudited	Unaudited
Interest income on bank deposits	982	554
Interest expenses on loans and borrowings	(1 457)	(891)
Other expenses	(107)	(77)
	<b>(582)</b>	<b>(414)</b>

## ➤ 16 Foreign currency exchange gain/(loss), net

As at 30 June 2024 Ukrainian Hryvnia devaluated against the USD compared 31 December 2023 by 6,7% (there was no changes in UAH/USD rate as at 30 June 2023 compared 31 December 2022), 6,7% of devaluation for the average rate 1H2024/1H2023 in comparison with 26,5% of devaluation for the average rate 1H2023/1H2022. During the 1H2024 the Group recognised net foreign exchange loss in the amount of USD 3 182 thousand compared to USD 599 thousand of net gain in 1H2023 (relates mostly to the revaluation of loans) in the Consolidated statement of comprehensive income.

## ➤ 17 Income tax expenses and deferred tax liabilities

The corporate income tax rate for the six months ended 30 June 2024 was: 18% in Ukraine, 12,5% in Cyprus, 24,94% in Luxemburg.

The components of income tax expenses were as follows:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023
	Unaudited	Unaudited
Current income tax	(48)	-
Deferred tax	8	89
	<b>(40)</b>	<b>89</b>

### Consolidated statement of other comprehensive income

Deferred tax related to item charged or credit directly to other comprehensive income during year:

Net gain on revaluation of property, plant and equipment	93	274
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The deferred tax liabilities were as follows:

	Property, plant and equipment
<b>31 December 2022 (audited)</b>	<b>(1 973)</b>
Income tax benefit (expenses) for the period recognized in profit or loss	89
Income tax benefit (expenses) for the period recognized in other comprehensive income	274
<b>30 June 2023 (unaudited)</b>	<b>(1 610)</b>
<b>31 December 2023 (audited)</b>	<b>(2 434)</b>
Income tax benefit (expenses) for the period recognized in profit or loss	8
Income tax benefit (expenses) for the period recognized in other comprehensive income	93
Effect of foreign currency translation	149
<b>30 June 2024 (unaudited)</b>	<b>(2 184)</b>

No deferred tax asset has been set up on loss carry forwards of some entities of the Group, as there are not sufficient profits foreseen on these entities to justify the set up of deferred tax assets.

## ▶ 18 Property, plant and equipment (PPE)

	Land and buildings	Machinery	Motor vehicles	Other	Construction in progress	Total
<b>INITIAL COST</b>						
<b>31 December 2022 (audited)</b>	<b>43 224</b>	<b>32 957</b>	<b>16 921</b>	<b>243</b>	<b>83</b>	<b>93 428</b>
Additions	14	85	28	6	6	139
Disposals	(641)	(818)	(63)	(7)	-	(1 529)
<b>30 June 2023 (unaudited)</b>	<b>42 597</b>	<b>32 224</b>	<b>16 886</b>	<b>242</b>	<b>89</b>	<b>92 038</b>
<b>31 December 2023 (audited)</b>						
<b>31 December 2023 (audited)</b>	<b>91 931</b>	<b>63 910</b>	<b>35 122</b>	<b>233</b>	<b>160</b>	<b>191 356</b>
Additions	24	2 218	11 717	2	284	14 245
Disposals	(34)	(2 273)	(1 623)	(4)	-	(3 934)
Effect from translation into presentation currency	(5 793)	(4 025)	(2 595)	(15)	(23)	(12 451)
<b>30 June 2024 (unaudited)</b>	<b>86 128</b>	<b>59 830</b>	<b>42 621</b>	<b>216</b>	<b>421</b>	<b>189 216</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>31 December 2022 (audited)</b>	<b>(15 582)</b>	<b>(20 357)</b>	<b>(11 322)</b>	<b>(104)</b>	<b>-</b>	<b>(47 365)</b>
Depreciation for the period	(727)	(1 109)	(757)	(19)	-	(2 612)
Disposals	618	811	62	5	-	1 496
<b>30 June 2023 (unaudited)</b>	<b>(15 691)</b>	<b>(20 655)</b>	<b>(12 017)</b>	<b>(118)</b>	<b>-</b>	<b>(48 481)</b>
<b>31 December 2023 (audited)</b>						
<b>31 December 2023 (audited)</b>	<b>(57 271)</b>	<b>(44 858)</b>	<b>(16 832)</b>	<b>(130)</b>	<b>-</b>	<b>(119 091)</b>
Depreciation for the period	(850)	(1 824)	(1 409)	(17)	-	(4 100)
Disposals	30	1 983	1 449	4	-	3 466
Effect from translation into presentation currency	3 639	2 824	1 059	9	-	7 531
<b>30 June 2024 (unaudited)</b>	<b>(54 452)</b>	<b>(41 875)</b>	<b>(15 733)</b>	<b>(134)</b>	<b>-</b>	<b>(112 194)</b>
<b>Net book value</b>						
<b>31 December 2022 (audited)</b>	<b>27 642</b>	<b>12 600</b>	<b>5 599</b>	<b>139</b>	<b>83</b>	<b>46 063</b>
<b>30 June 2023 (unaudited)</b>	<b>26 906</b>	<b>11 569</b>	<b>4 869</b>	<b>124</b>	<b>89</b>	<b>43 557</b>
<b>31 December 2023 (audited)</b>	<b>34 660</b>	<b>19 052</b>	<b>18 290</b>	<b>103</b>	<b>160</b>	<b>72 265</b>
<b>30 June 2024 (unaudited)</b>	<b>31 676</b>	<b>17 955</b>	<b>26 888</b>	<b>82</b>	<b>421</b>	<b>77 022</b>

As at 31 December 2023 an independent valuation of the Group's land, buildings, Machinery and vehicles was performed in accordance with International Valuation Standards by an independent appraiser LLC "Asset Expertise" (ODS Certificate No. 548/2022 as of 14 November 2022 issued by State Property Fund of Ukraine).

## ▶ 19 Right-of-use assets

Amounts recognised in the consolidated statements of financial position:

	30 June 2024	31 December 2023	30 June 2023
	Unaudited	Audited	Unaudited
Right-of-use assets			
Land	104 588	105 840	113 570
Office	320	19	77
Machinery	628	1 116	1 624
	<b>105 536</b>	<b>106 975</b>	<b>115 271</b>
Lease liabilities as to right-of-use assets			
Long-term	<b>102 335</b>	<b>99 188</b>	<b>112 847</b>
Land	102 114	98 852	111 868
Office	221	-	-
Machinery	-	336	979
Current portion	<b>7 582</b>	<b>12 931</b>	<b>11 806</b>
Land	6 430	11 510	10 328
Office	138	27	105
Machinery	1 014	1 394	1 373
	<b>109 917</b>	<b>112 119</b>	<b>124 653</b>

Amounts recognised in the consolidated statements of comprehensive income:

	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Unaudited	Unaudited
Depreciation of right-of-use assets			
Land	8	(4 555)	(4 617)
Office	9	(61)	(58)
Machinery	8	(435)	(1 044)
		<b>(5 051)</b>	<b>(5 719)</b>
Financial effect of lease of right-of-use assets		(3 157)	(2 643)

If IFRS 16 was not applied, the amount of land rent expense to be accrued according to the terms of the lease agreements for the six months ended 30 June 2024 would be USD 7 049 thousand (USD 6 230 thousand for the six months ended 30 June 2023).

Following changes took place in the right-of-use assets:

	<b>Land</b>	<b>Office</b>	<b>Machinery</b>	<b>Total</b>
<b>Net book value as at 31 December 2022 (audited)</b>	<b>116 165</b>	<b>135</b>	<b>2 668</b>	<b>118 968</b>
Cost as at 31 December 2022 (audited)	135 591	336	9 274	145 201
Accumulated depreciation as at 31 December 2022 (audited)	(19 426)	(201)	(6 606)	(26 233)
Additions	4 332	-	-	4 332
Depreciation	(4 617)	(58)	(1 044)	(5 719)
Disposals	(2 310)	-	-	(2 310)
Cost disposals	(3 018)	-	-	(3 018)
Accumulated depreciation disposals	708	-	-	708
Cost as at 30 June 2023 (unaudited)	136 905	336	9 274	146 515
Accumulated depreciation as at 30 June 2023 (unaudited)	(23 335)	(259)	(7 650)	(31 244)
<b>Net book value as at 30 June 2023 (unaudited)</b>	<b>113 570</b>	<b>77</b>	<b>1 624</b>	<b>115 271</b>
<b>Net book value as at 31 December 2023 (audited)</b>	<b>105 840</b>	<b>19</b>	<b>1 116</b>	<b>106 975</b>
Cost as at 31 December 2023 (audited)	130 227	324	4 468	135 019
Accumulated depreciation as at 31 December 2023 (audited)	(24 387)	(305)	(3 352)	(28 044)
Additions	16 237	376	-	16 613
Depreciation	(4 555)	(61)	(435)	(5 051)
Disposals	(6 052)	-	-	(6 052)
Cost disposals	(8 153)	(315)	-	(8 468)
Accumulated depreciation disposals	2 101	315	-	2 416
Effect from translation into presentation currency	(6 882)	(14)	(53)	(6 949)
Cost as at 30 June 2024 (unaudited)	129 799	361	4 188	134 348
Accumulated depreciation as at 30 June 2024 (unaudited)	(25 211)	(41)	(3 560)	(28 812)
<b>Net book value as at 30 June 2024 (unaudited)</b>	<b>104 588</b>	<b>320</b>	<b>628</b>	<b>105 536</b>

The following changes took place in the lease liabilities as to right-to-use assets:

	<b>Land</b>	<b>Office</b>	<b>Machinery</b>	<b>Total</b>
<b>Total lease liabilities as at 31 December 2022 (audited)</b>	<b>122 133</b>	<b>183</b>	<b>2 901</b>	<b>125 217</b>
Non-current lease liabilities as at 31 December 2022 (audited)	108 301	26	1 565	109 892
Current lease liabilities as at 31 December 2022 (audited)	13 832	157	1 336	15 325
Additions	4 332	-	-	4 332
Interest expenses	2 563	3	78	2 644
Payment of interests	(265)	(3)	(39)	(307)
Payment of lease liabilities	(4 086)	(37)	(671)	(4 794)
Disposals	(2 481)	-	-	(2 481)
Other changes	-	(41)	83	42
Non-current lease liabilities as at 30 June 2023 (unaudited)	111 868	-	979	112 847
Current lease liabilities as at 30 June 2023 (unaudited)	10 328	105	1 373	11 806
<b>Total lease liabilities as at 30 June 2023 (unaudited)</b>	<b>122 196</b>	<b>105</b>	<b>2 352</b>	<b>124 653</b>

	Land	Office	Machinery	Total
<b>Total lease liabilities as at 31 December 2023 (audited)</b>	<b>110 362</b>	<b>27</b>	<b>1 730</b>	<b>112 119</b>
Non-current lease liabilities as at 31 December 2023 (audited)	98 852	-	336	99 188
Current lease liabilities as at 31 December 2023 (audited)	11 510	27	1 394	12 931
Additions	16 237	376	-	16 613
Interest expenses	3 109	8	39	3 156
Payment of interests	(326)	(3)	(36)	(365)
Payment of lease liabilities	(7 214)	(36)	(667)	(7 917)
Disposals	(6 470)	-	-	(6 470)
Other changes	-	2	32	34
Effect from translation into presentation currency	(7 154)	(15)	(84)	(7 253)
Non-current lease liabilities as at 30 June 2024 (unaudited)	102 114	221	-	102 335
Current lease liabilities as at 30 June 2024 (unaudited)	6 430	138	1 014	7 582
<b>Total lease liabilities as at 30 June 2024 (unaudited)</b>	<b>108 544</b>	<b>359</b>	<b>1 014</b>	<b>109 917</b>

## ➤ 20 Intangible assets

	Computer software	Property certificates	Land lease rights	Total
<b>INITIAL COST</b>				
<b>31 December 2022 (audited)</b>	<b>61</b>	<b>165</b>	<b>7 050</b>	<b>7 276</b>
<b>30 June 2023 (unaudited)</b>	<b>61</b>	<b>165</b>	<b>7 050</b>	<b>7 276</b>
<b>31 December 2023 (audited)</b>	<b>58</b>	<b>159</b>	<b>6 788</b>	<b>7 005</b>
Effect from translation into presentation currency	(3)	(10)	(428)	(441)
<b>30 June 2024 (unaudited)</b>	<b>55</b>	<b>149</b>	<b>6 360</b>	<b>6 564</b>
<b>ACCUMULATED AMORTISATION</b>				
<b>31 December 2022 (audited)</b>	<b>(37)</b>	<b>(4)</b>	<b>(6 783)</b>	<b>(6 824)</b>
Amortisation for the period	(4)	-	(51)	(55)
<b>30 June 2023 (unaudited)</b>	<b>(41)</b>	<b>(4)</b>	<b>(6 834)</b>	<b>(6 879)</b>
<b>31 December 2023 (audited)</b>	<b>(43)</b>	<b>(5)</b>	<b>(6 620)</b>	<b>(6 668)</b>
Amortisation for the period	(4)	-	(36)	(40)
Effect from translation into presentation currency	3	1	417	421
<b>30 June 2024 (unaudited)</b>	<b>(44)</b>	<b>(4)</b>	<b>(6 239)</b>	<b>(6 287)</b>
<b>NET BOOK VALUE</b>				
<b>31 December 2022 (audited)</b>	<b>24</b>	<b>161</b>	<b>267</b>	<b>452</b>
<b>30 June 2023 (unaudited)</b>	<b>20</b>	<b>161</b>	<b>216</b>	<b>397</b>
<b>31 December 2023 (audited)</b>	<b>15</b>	<b>154</b>	<b>168</b>	<b>337</b>
<b>30 June 2024 (unaudited)</b>	<b>11</b>	<b>145</b>	<b>121</b>	<b>277</b>

## 21 Inventories

	Note	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
Agricultural produce	a	2 505	75 025	37 179
Work-in-progress	b	121	8 104	290
Agricultural materials		4 472	4 346	3 968
Spare parts		365	254	549
Fuel		1 294	1 327	1 180
Raw materials		378	285	282
Other inventories		143	167	109
		<b>9 278</b>	<b>89 508</b>	<b>43 557</b>

As at 30 June 2024 cost value of inventories amounts to USD 9 098 thousand (USD 84 338 thousand as at 31 December 2023, USD 34 267 as at 30 June 2023).

a) As at the reporting dates agricultural produce was presented as follows:

	30 June 2024	31 December 2023	30 June 2023
	Unaudited	Audited	Unaudited
Corn	1 816	43 014	32 564
Wheat	616	20 504	4 503
Sunflower	-	11 365	-
Other	73	142	112
	<b>2 505</b>	<b>75 025</b>	<b>37 179</b>

The fair value of agricultural produce was estimated based on market price as at date of harvest and is within level 2 of the fair value hierarchy.

b) Work-in-progress includes expenses on works connected with preparation of the lands for the future harvest obtained from the biological assets of plant growing. The cost of work in progress includes costs of direct materials and labor and other direct productions costs and related production overheads (based on normal operating capacity).

## 22 Current biological assets

	30 June 2024		31 December 2023		30 June 2023	
	Unaudited		Audited		Unaudited	
<b>Plant-breeding</b>	<b>Area, ha</b>	<b>Book value</b>	<b>Area, ha</b>	<b>Book value</b>	<b>Area, ha</b>	<b>Book value</b>
Wheat	20 261	20 850	20 301	2 952	33 334	28 881
Corn	65 703	51 372	7 340	8 342	46 304	38 086
Sunflower	24 250	21 777	-	-	32 121	25 943
	<b>110 215</b>	<b>93 999</b>	<b>27 641</b>	<b>11 294</b>	<b>111 759</b>	<b>92 910</b>

Following changes took place in the current biological assets of plant-breeding:

	Wheat	Corn	Sunflower	Total
<b>31 December 2022 (audited)</b>	<b>9 910</b>	<b>37 522</b>	-	<b>47 432</b>
Capitalized expenses (harvest 2022)	-	3 303	-	<b>3 303</b>
Revaluation at fair value at the date of harvest (harvest 2022)	-	(105)	-	<b>(105)</b>
Harvesting (harvest 2022)	-	(40 720)	-	<b>(40 720)</b>
Capitalized expenses (harvest 2023)	14 166	28 895	16 720	<b>59 781</b>
Revalued at fair value (harvest 2023)	4 805	9 191	9 223	<b>23 219</b>
<b>30 June 2023 (unaudited)</b>	<b>28 881</b>	<b>38 086</b>	<b>25 943</b>	<b>92 910</b>
<b>31 December 2023 (audited)</b>	<b>2 952</b>	<b>8 342</b>	-	<b>11 294</b>
Capitalized expenses (harvest 2023)	-	910	-	<b>910</b>
Revaluation at fair value at the date of harvest (harvest 2023)	-	(978)	-	<b>(978)</b>
Harvesting (harvest 2023)	-	(8 023)	-	<b>(8 023)</b>
Capitalized expenses (harvest 2024)	8 875	43 444	13 952	<b>66 271</b>
Revalued at fair value (harvest 2024)	9 917	9 907	8 677	<b>28 501</b>
Effect from translation into presentation currency	(894)	(2 230)	(852)	<b>(3 976)</b>
<b>30 June 2024 (unaudited)</b>	<b>20 850</b>	<b>51 372</b>	<b>21 777</b>	<b>93 999</b>

Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined rate. The fair value of biological assets is determined by the Group's own agricultural and IFRS experts. The forecast indicators of crop yields used in assessing crops are determined on the basis of the current history of crop yields. The indicators of past periods are taken as a basis and are adjusted taking into account the state of crops, climatic conditions, varietal characteristics of the crop, soil fertility and the application of new technologies.

Biological assets of the Group are measured at fair value within Level 3 of the fair value hierarchy. There were no transfers between any levels during the 1H2024 and 1H2023.

Description	Fair value as at 30 June 2024	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Crops in fields - Wheat	20 850	Discounted cash flows	Crops yield - tonnes per hectare	6,6	The higher the crops yield, the higher the fair value
			Crops price	USD 170 per ton	The higher the market price, the higher the fair value
			Discount rate	30,94%	The higher the discount rate, the lower the fair value
			Future production cost	USD 69 per ha	The higher the future production cost, the lower the fair value
Crops in fields - Corn	51 372	Discounted cash flows	Crops yield - tonnes per hectare	7,8	The higher the crops yield, the higher the fair value
			Crops price	USD 143 per ton	The higher the market price, the higher the fair value
			Discount rate	30,94%	The higher the discount rate, the lower the fair value
			Future production cost	USD 132 per ha	The higher the future production cost, the lower the fair value

Description	Fair value as at 30 June 2024	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Crops in fields - Sunflower	21 777	Discounted cash flows	Crops yield - tonnes per hectare	2,8	The higher the crops yield, the higher the fair value
			Crops price	USD 400 per ton	The higher the market price, the higher the fair value
			Discount rate	30,94%	The higher the discount rate, the lower the fair value
			Future production cost	USD 89 per ha	The higher the future production cost, the lower the fair value

### ▶ 23 Trade accounts receivable, net

	Note	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
Trade accounts receivable		2 596	4 061	2 288
Allowances for accounts receivable	25	(28)	(10)	(73)
		<b>2 568</b>	<b>4 051</b>	<b>2 215</b>

### ▶ 24 Prepayments and other current assets, net

	Note	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
Prepayments and other non-financial assets:				
VAT for reimbursement		9 464	9 612	7 173
Advances to suppliers		4 676	800	368
Allowances for advances to suppliers	25	(69)	(41)	(11)
		<b>14 071</b>	<b>10 371</b>	<b>7 530</b>
Other financial assets:				
Non-bank accommodations interest free		206	244	319
Allowances for non-bank accommodations interest free	25	(4)	(4)	(3)
Other accounts receivable		331	448	193
Allowances for other accounts receivable	25	(33)	(36)	(40)
		<b>500</b>	<b>652</b>	<b>469</b>
		<b>14 571</b>	<b>11 023</b>	<b>7 999</b>

## ▶ 25 Changes in allowances made

	Note	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
Allowances for trade accounts receivable	23	(28)	(10)	(73)
Allowances for advances to suppliers	24	(69)	(41)	(11)
Allowances for non-bank accommodations interest free	24	(4)	(4)	(3)
Allowances for other accounts receivable	24	(33)	(36)	(40)
Allowances for prepayments for property, plant and equipment		(43)	(119)	(55)
		<b>(177)</b>	<b>(210)</b>	<b>(182)</b>

The movements of the allowances were as follows:

	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Unaudited	Unaudited
<b>As at the beginning of the period</b>		<b>(210)</b>	<b>(179)</b>
Accrual	12	(113)	(8)
Use of allowances		136	5
Effect from translation into presentation currency		10	-
<b>As at the end of the period</b>		<b>(177)</b>	<b>(182)</b>

## ▶ 26 Cash and cash equivalents

	Currency	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
Cash in bank and hand	USD	2 983	6 075	4 679
Cash in bank and hand	UAH	12 481	9 890	18 104
Cash in bank and hand	EUR	127	178	208
Cash in bank and hand	PLN	45	55	59
		<b>15 636</b>	<b>16 198</b>	<b>23 050</b>

There were no restrictions on the use of cash and cash equivalents during the reporting periods.

## ➤ 27 Equity

### Share capital

IMC S.A. has one class of ordinary shares. The number of authorized, issued and fully paid shares as at 30 June 2024 is 35 500 464 (as at 31 December 2023 and 30 June 2024 – 35 500 464). All shares have equal voting rights. Par value of one share is USD 0,00175 (EUR 0,00125).

	30 June 2024		31 December 2023		30 June 2023	
	Unaudited		Audited		Unaudited	
	%	Amount	%	Amount	%	Amount
AGROVALLEY LIMITED	76,14	48	76,14	48	76,14	48
Mr. Alex Lissitsa	5,55	3	5,55	3	5,55	3
Other shareholders (each one less than 5% of the share capital)	18,31	11	18,31	11	18,31	11
	<b>100</b>	<b>62</b>	<b>100</b>	<b>62</b>	<b>100</b>	<b>62</b>

A reconciliation of the number of shares outstanding at the beginning and at the end of the period:

	For the three months ended 30 June 2024		For the three months ended 30 June 2023	
	Unaudited		Unaudited	
Number of authorized, issued and fully paid shares				
As at the beginning of the period		<b>35 500 464</b>		<b>35 500 464</b>
Changes for the period		-		-
As at the end of the period		<b>35 500 464</b>		<b>35 500 464</b>

### Share premium

In 2011 IMC S.A. completed initial public offering of own shares on Warsaw Stock Exchange. Issue of share capital of IMC S.A. brought to the increase of share capital equaling to USD 10 thousand (EUR 8 thousand) and share premium in amount of USD 24 387 thousand (EUR 17 823 thousand).

In 2017 Management Incentive Plan was realized. Issue of new shares of IMC S.A. brought to the increase of share capital equaling to USD 3 thousand (EUR 3 thousand) and share premium in amount of USD 5 125 thousand (EUR 4 294 thousand).

In 2022 Management Incentive Plan was realized. Issue of new shares of IMC S.A. brought to the increase of share capital equaling to USD 3 thousand (EUR 3 thousand) and share premium in amount of USD 7 913 thousand (EUR 7 837 thousand).

### Revaluation reserve

The fair value of Group's property, plant and equipment has been measured as at 31 December 2023, 2020, 2017, 2015, 2010, 2009 by an independent appraiser. The related revaluation surplus was recognized in equity:

- as at 31 December 2009 USD 14 766 thousand (EUR 10 299 thousand) was initially recognized in equity;
- as at 31 December 2010 USD 4 326 thousand (EUR 3 258 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2015 USD 40 390 thousand (EUR 36 967 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2017 USD 22 659 thousand (EUR 18 987 thousand) was additionally recognized as increase in revaluation reserve;
- as at 31 December 2020 USD 5 265 thousand (EUR 4 285 thousand) was additionally recognized as increase in revaluation reserve.
- as at 31 December 2023 USD 17 456 thousand (EUR 15 708 thousand) was additionally recognized as increase in revaluation reserve.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the asset is used by an entity (in the amount that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost) and when the asset is derecognized (in the full amount).

### **Effect of foreign currency translation**

Effect of foreign currency translation comprises all foreign exchange differences arising from the translation of the financial statements into presentation currency.

### **Dividend policy**

On 8 July 2016 the Board of Directors of IMC S.A. published its Dividend Policy: The Company intends to pay annual dividends starting from FY 2016 results provided that the Company succeeds to receive dividend payment waivers from its creditors.

On 27 September 2017 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 1 658 900 (EUR 0.05 per share).

On 14 September 2018 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 11 280 520 (EUR 0.34 per share).

On 29 August 2019 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 14 930 100 (EUR 0.45 per share).

On 28 August 2020 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 5 972 040 (EUR 0.18 per share).

On 03 June 2021 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 20 570 360 (EUR 0.62 per share).

On 30 November 2021 the Company paid the interim dividend to the Company's shareholders for an aggregate amount of EUR 5 308 480 (EUR 0.16 per share).

### **Legal reserve**

From the annual net profits of the Parent company, 5% have to be allocated to the legal reserve. This allocation shall cease to be required as soon and as long as such surplus reserve amounts to 10% of the capital. This reserve may not be distributed to the shareholders.

## **▶ 28 Long-term loans and borrowings**

	Currency	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
<b>Secured</b>				
Long-term bank loans	USD	20 509	20 329	6 074
Current portion of long-term bank loans	USD	(5 466)	(19 427)	(2 666)
<b>Total long-term loans and borrowings</b>		<b>15 043</b>	<b>902</b>	<b>3 408</b>

**Essential terms of credit contracts**

Creditor	Year of maturity	Currency	Nominal interest rate	30 June 2024	
				Unaudited	
				Long-term liabilities	Including current portion
Ukrainian bank	2026	USD	4,98%	601	586
Ukrainian bank	2026	USD	3,70%	1 026	615
Ukrainian bank	2026	USD	2,40%	1 782	713
Ukrainian bank	2028	USD	4,80%	873	210
Ukrainian bank	2028	USD	5,70%	1 546	371
Non-resident bank	2028	USD	1,00%	3 000	600
Non-resident bank	2028	USD	4%+SOFR 3M	10 000	2 000
Ukrainian bank	2029	USD	6,15%	1 681	371
				<b>20 509</b>	<b>5 466</b>

Creditor	Year of maturity	Currency	Nominal interest rate	31 December 2023	
				Audited	
				Long-term liabilities	Including current portion
Ukrainian bank	2024	USD	4,90%	131	131
Ukrainian bank	2026	USD	4,98%	1 017	834
Ukrainian bank	2026	USD	3,70%	1 333	615
Ukrainian bank	2026	USD	2,40%	2 138	2 138
Ukrainian bank	2028	USD	4,80%	978	978
Ukrainian bank	2028	USD	5,70%	1 731	1 731
Non-resident bank	2028	USD	1,00%	3 000	3 000
Non-resident bank	2028	USD	4%+SOFR 3M	10 000	10 000
				<b>20 329</b>	<b>19 427</b>

Creditor	Year of maturity	Currency	Nominal interest rate	30 June 2023	
				Unaudited	
				Long-term liabilities	Including current portion
Ukrainian bank	2024	USD	4,90%	327	327
Ukrainian bank	2026	USD	4,98%	1 434	833
Ukrainian bank	2026	USD	3,70%	1 641	615
Ukrainian bank	2026	USD	2,40%	2 672	891
				<b>6 074</b>	<b>2 666</b>

Long-term loans outstanding were repayable as follows:

	30 June 2024	31 December 2023	30 June 2023
	Unaudited	Audited	Unaudited
Within one year	5 466	19 427	2 666
In the second to fifth year inclusive	15 043	902	3 408
	<b>20 509</b>	<b>20 329</b>	<b>6 074</b>

## ▶ 29 Short-term loans and borrowings

	Currency	30 June 2024	31 December 2023	30 June 2023
		Unaudited	Audited	Unaudited
<b>Secured</b>				
Short-term bank loans	USD	21 435	25 398	25 398

### Essential terms of credit contracts

Creditor	Currency	Nominal interest rate	30 June 2024
			Unaudited
Ukrainian bank	USD	7,00%	3 935
Ukrainian bank	USD	6,50%	6 500
Ukrainian bank	USD	6,50%	5 000
Ukrainian bank	USD	6,75%	5 000
Ukrainian bank	USD	6,75%	1 000
			<b>21 435</b>

Creditor	Currency	Nominal interest rate	31 December 2023
			Audited
Ukrainian bank	USD	7,00%	7 898
Ukrainian bank	USD	6,50%	6 500
Ukrainian bank	USD	6,50%	5 000
Ukrainian bank	USD	6,00%	5 000
Ukrainian bank	USD	6,00%	1 000
			<b>25 398</b>

Creditor	Currency	Nominal interest rate	30 June 2023
			Unaudited
Ukrainian bank	USD	7,00%	7 898
Ukrainian bank	USD	6,50%	6 500
Ukrainian bank	USD	6,50%	5 000
Ukrainian bank	USD	6,00%	5 000
Ukrainian bank	USD	6,00%	1 000
			<b>25 398</b>

## ▶ 30 Trade accounts payable

	30 June 2024	31 December 2023	30 June 2023
	Unaudited	Audited	Unaudited
Trade accounts payable	5 690	2 312	12 260

## ▶ 31 Other current liabilities and accrued expenses

	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2023</b>
	Unaudited	Audited	Unaudited
Other liabilities:			
Advances from clients	2 000	3 759	2 808
Other accounts payable:			
Wages, salaries and related charges payable	1 175	1 195	1 029
Accruals for unused vacations	1 230	1 355	1 068
Interest payable on bank loans	64	90	61
Accounts payable for non-current tangible assets	74	92	53
Accruals for audit services	-	122	3
Taxes payable	73	184	60
Other accounts payable	1 671	1 121	10
	<b>4 287</b>	<b>4 159</b>	<b>2 284</b>
Total other current liabilities and accrued expenses	<b>6 287</b>	<b>7 918</b>	<b>5 092</b>

## ▶ 32 Related party disclosures

According to existing criteria of determination of related parties, the related parties of the Group are divided into the following categories:

- a) Entities - related parties under common control with the Companies of the Group;
- b) Key management personnel.

The Group performs transactions with related parties in the ordinary course of business. During the reporting period the Group did not perform any related parties' transactions, except with key management personnel.

Remuneration of key management personnel was as follows:

	<b>For the six months ended 30 June 2024</b>	<b>For the six months ended 30 June 2023</b>
	Unaudited	Unaudited
Wages and salaries	366	361
Directors fees	318	235
Related charges	19	18
	<b>703</b>	<b>614</b>
The average number of employees, persons	6	6

### ▶ 33 Information on segments

A business segment is a separable component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generates revenues other than risks and income of those components that are peculiar to other business segments.

For the purpose of Management, the Group is divided into the following business segments on the basis of produced goods and rendered services, and consists of the following 3 operating segments:

- Crop farming - a segment, which deals with cultivation and sale of such basic agricultural crops as corn and wheat;
- Elevators and warehouses - a segment which deals with storage and processing of agricultural produce.

Information on business segments for the six months ended 30 June 2024 (unaudited) was as follows:

	Crop farming	Elevators and warehouses	Unallocated	Total
Revenue	108 381	1 716	-	110 097
Intra-group elimination	(147)	(1 629)	-	(1 776)
Revenue from external buyers	<b>108 234</b>	<b>87</b>	-	<b>108 321</b>
Gain from changes in fair value of biological assets and agricultural produce, net	27 523	-	-	27 523
Cost of sales	(82 229)	(469)	-	(82 698)
<b>Gross income</b>	<b>53 528</b>	<b>(382)</b>	-	<b>53 146</b>
Administrative expenses	-	-	(4 972)	(4 972)
Selling and distribution expenses	-	-	(19 620)	(19 620)
Other operating income	-	-	1 272	1 272
Other operating expenses	-	-	(1 338)	(1 338)
Write-offs of property, plant and equipment	-	-	(7)	(7)
<b>Operating income of a segment</b>	<b>53 528</b>	<b>(382)</b>	<b>(24 665)</b>	<b>28 481</b>
Financial expenses, net	-	-	(582)	(582)
Financial effect of lease of right-of-use assets	-	-	(3 157)	(3 157)
Foreign currency exchange (loss)/gain, net	-	-	(3 182)	(3 182)
<b>Profit before tax</b>	<b>53 528</b>	<b>(382)</b>	<b>(31 586)</b>	<b>21 560</b>
Income tax expenses, net	-	-	(40)	(40)
<b>Net profit</b>	<b>53 528</b>	<b>(382)</b>	<b>(31 626)</b>	<b>21 520</b>
<b>Other segment information:</b>				
Depreciation and amortisation	7 942	1 249	-	9 191
Additions to non-current assets:				
Property, plant and equipment	10 013	4 232	-	14 245
Right-of-use assets	16 613	-	-	16 613

Information on business segments for the three months ended 30 June 2023 (unaudited) was as follows:

	<b>Crop farming</b>	<b>Elevators and warehouses</b>	<b>Unallocated</b>	<b>Total</b>
Revenue	92 237	3 316	-	<b>95 553</b>
Intra-group elimination	(20 431)	(3 170)	-	<b>(23 601)</b>
Revenue from external buyers	<b>71 806</b>	<b>146</b>	-	<b>71 952</b>
Gain from changes in fair value of biological assets and agricultural produce, net	23 114	-	-	<b>23 114</b>
Cost of sales	(61 636)	(891)	-	<b>(62 527)</b>
<b>Gross income</b>	<b>33 284</b>	<b>(745)</b>	-	<b>32 539</b>
Administrative expenses	-	-	(4 798)	<b>(4 798)</b>
Selling and distribution expenses	-	-	(13 243)	<b>(13 243)</b>
Other operating income	-	-	608	<b>608</b>
Other operating expenses	-	-	(6 432)	<b>(6 432)</b>
Write-offs of property, plant and equipment	-	-	(25)	<b>(25)</b>
<b>Operating income of a segment</b>	<b>33 284</b>	<b>(745)</b>	<b>(23 890)</b>	<b>8 649</b>
Financial expenses, net	-	-	(414)	<b>(414)</b>
Financial effect of lease of right-of-use assets	-	-	(2 643)	<b>(2 643)</b>
Foreign currency exchange (loss)/gain, net	-	-	599	<b>599</b>
<b>Profit before tax</b>	<b>33 284</b>	<b>(745)</b>	<b>(26 348)</b>	<b>6 191</b>
Income tax expenses, net	-	-	89	<b>89</b>
<b>Net profit</b>	<b>33 284</b>	<b>(745)</b>	<b>(26 259)</b>	<b>6 280</b>
<b>Other segment information:</b>				
Depreciation and amortisation	7 572	814	-	<b>8 386</b>
Additions to non-current assets:				
Property, plant and equipment	65	74	-	<b>139</b>
Right-of-use assets	4 332	-	-	<b>4 332</b>

## 34 Subsequent events

Conducting its normal operating activity, the Group considers important to highlight the following:

Loans and borrowings and interests are repaid in the amount of USD 2 528 thousand.

VAT for reimbursement is received in the amount of USD 4 711 thousand.

There were no other material events after the end of the reporting date, which have a bearing on the understanding of the Condensed consolidated financial statements.

