



Interim report

For the nine months ended 30 September 2023

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Single 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 interim financial statements:

(in thousand USD)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	Changes, %
CONTINUING OPERATIONS			
Revenue	98 784	61 835	60%
Gain from changes in fair value of biological assets and agricultural produce, net	23 507	42 350	-44%
Cost of sales	(92 399)	(59 387)	56%
GROSS PROFIT	29 892	44 798	-33%
Administrative expenses	(7 118)	(14 616)	-51%
Selling and distribution expenses	(16 495)	(8 075)	104%
Other operating income	924	800	16%
Other operating expenses	(5 773)	(1 355)	326%
Write-offs of property, plant and equipment	(25)	(14)	-
OPERATING PROFIT/(LOSS)	1 405	21 538	-93%
Financial expenses, net	(536)	(357)	50%
Effect of lease of right-of-use assets	(4 002)	(4 923)	-19%
Foreign currency exchange (loss)/gain, net	785	(11 069)	-107%
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(2 348)	5 189	-145%
Income tax expenses, net	95	(521)	-118%
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(2 253)	4 668	-148%
Normalised EBITDA	13 850	36 871	-62%

Company's Normalised EBITDA decreased in 9M2023 in comparison with 9M2022 due to decrease in crop prices in 9M2023.

Revenue

The Company's revenue from sales of finished products increased by 60% in 9M2023 in comparison with previous period.

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

(in thousand USD)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	Changes, %
Corn	82 422	56 576	46%
Sunflower	4 884	377	100%
Wheat	10 781	3 552	204%
Milk	-	331	-100%
Cattle	-	625	-100%
Other	528	289	83%
	98 615	61 750	60%

The most significant portion of the Company's revenue comes from selling corn, which represented 83,6% in 9M2023 and 91,6% in 9M2022 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:

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Corn		
Sales of produced corn (in tonnes)	472 983	271 653
Realization price (U.S. \$ per ton)	174	208
Revenue from produced corn (U.S. \$ in thousands)	82 422	56 576
Sunflower		
Sales of produced sunflower (in tonnes)	13 114	884
Realization price (U.S. \$ per ton)	372	427
Revenue from produced sunflower (U.S. \$ in thousands)	4 884	377
Wheat		
Sales of produced wheat (in tonnes)	56 118	13 245
Realization price (U.S. \$ per ton)	192	268
Revenue from produced wheat (U.S. \$ in thousands)	10 781	3 552
Other (produced only)		
Total sales volume (in tonnes)	13 211	5 790
Total revenues (U.S. \$ in thousands)	528	289
Total sales volume (in tonnes)	555 426	291 572
Total revenue from sale of crops (U.S. \$ in thousands)	98 615	60 794

The increase in revenue is due to an increase in crop sales volumes, despite the decrease in its selling price in 9M2023.

Cost of sales

The Company's cost of sales changed to USD 92,4 million in current period from USD 59,4 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)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	Changes, %
Raw materials	(82 092)	(60 961)	35%
Change in inventories and work-in-progress	31 344	32 170	-3%
Depreciation and amortization	(11 849)	(14 643)	-19%
Wages and salaries of operating personnel and related charges	(9 741)	(7 050)	38%
Fuel and energy supply	(12 582)	(6 185)	103%
Third parties' services	(4 582)	(1 132)	305%
Rent	(1 904)	(514)	270%
Repairs and maintenance	(377)	(364)	4%
Taxes and other statutory charges	(556)	(651)	-15%
Other expenses	(60)	(57)	6%
	(92 399)	(59 387)	56%

An increase in cost of sales in 9M2023 is consistent with the increase in sales volume.

Foreign currency exchange, net

As at 30 September 2023 Ukrainian Hryvnia remained stable against the USD compared 31 December 2022 (27,3% of devaluation as at 30 September 2022 compared 31 December 2021), 18,1% of devaluation for the average rate 9M2023/9M2022 in comparison with 11,2% of devaluation for the average rate 9M2022/9M2021. During the 9M2023 the Group recognised net foreign exchange gain in the amount of USD 785 thousand (relates mostly to the exchange rate differences when converting foreign currency revenue into hryvnias) and USD 11 069 thousand of net loss for the 9M2022 (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)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	Changes, %
Net cash flows from operating activities	10 063	(9 370)	-207%
Net cash flows from investing activities	(5 802)	(3 250)	79%
Net cash flows from financing activities	(1 966)	989	-299%
Net increase in cash and cash equivalents	2 295	(11 631)	-120%

The Company's net cash inflow from operating activities amounted USD 10,1 million in current period compared to the USD 9,4 million of net cash outflow in previous period. The changes were primarily attributable to increase in sales volume in 9M2023.

The Company's net cash outflow from investing activities increased to USD 5,8 million in 9M2023 from USD 3,3 million in 9M2022 which is in line with the Group's CAPEX program.

Net cash outflow from financing activities amounted USD 2,0 million in current period compared to the USD 1,0 million of net cash inflow in previous period. The net cash outflow in 9M2023 was attributable to repayment of bank loans and borrowings.

▶ 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 Condensed consolidated interim financial statements.

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

(in thousand USD)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	Changes, %
CONTINUING OPERATIONS			
Net profit/(loss) for the period	(2 253)	4 668	
Financial expenses, net	536	357	
Income tax expenses, net	(95)	521	
Depreciation and amortization	12 420	15 319	
Write-offs of property, plant and equipment	25	14	
Effect of lease of right-of-use assets	4 002	4 923	
Foreign currency exchange (loss)/gain, net	(785)	11 069	
Normalised EBITDA	13 850	36 871	-62%

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)		For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
I.	Revenue	98 784	61 835
II.	Operating profit/(loss)	1 405	21 538
III.	Profit/(loss) before income tax	(2 348)	5 189
IV.	Net profit/(loss)	(2 253)	4 668
V.	Net cash flow from operating activity	10 063	(9 370)
VI.	Net cash flow from investing activity	(5 802)	(3 250)
VII.	Net cash flow from financing activity	(1 966)	989
VIII.	Total net cash flow	2 295	(11 631)
IX.	Total assets	337 107	337 271
X.	Share capital	62	62
XI.	Total equity	148 355	155 053
XII.	Non-current liabilities	132 940	126 704
XIII.	Current liabilities	55 812	55 514
XIV.	Weighted average number of shares	35 500 464	33 809 847
XV.	Profit/(loss) per ordinary share (in USD)	(0,06)	0,14
XVI.	Total equity per share (in USD)	4,18	4,59

➤ War against Ukraine

On 24 February 2022 Russian troops invaded Ukraine and Russia has started a full-scale war against Ukraine. As the date of publication of this Report, Russia continues to wage a brutal war against Ukraine, attacking energy and civilian infrastructure and claiming thousands of lives.

Production sites and lands cultivated by enterprises of IMC S.A. are located in Chernihiv, Sumy and Poltava regions of Ukraine, where active hostilities were underway. Part of Chernihiv and Sumy regions were occupied, but the Armed Forces of Ukraine managed to liberate these regions. As of the date of publication of this Report all the Group's assets are located in the de-occupied territories.

The Group's business activities during the war:

- As of today all the Group's assets are located in the de-occupied territories.
- None of the Group's critical facilities or infrastructure has suffered any significant damage.
- All of the Group's inventories are in good condition and are in safe storage.
- To reduce the risk of loss of stocks from destruction due to missile attacks, stocks are placed in different regions and different locations. To reduce the risk of damage of stocks from long-term storage, alternative shipping routes are being developed to prevent accumulation of stocks in warehouses, and plastic sleeves are used for storing crops in order to ensure the most correct storage conditions outside the elevator.
- The Group does not have a labor shortage and has managed to retain its staff. All of the staff at the enterprises returned to work in the office or in production.
- The Group provides comprehensive assistance and support in the fight against the occupier. IMC provides all available material resources of the company, which are necessary for the protection of our Motherland and the people of Ukraine. More than 100 employees of IMC enterprises defend Ukraine in the ranks of the Armed Forces of Ukraine.
- At the beginning of March 2023, corn harvesting was completed in all IMC clusters located in Chernihiv, Poltava and Sumy regions of Ukraine. In total, more than 532 thousand tonnes of corn were harvested from an area of more than 50.2 thousand hectares with an average yield of 10.6 t/ha, which is the second best result of corn yield in the entire 15-year history of IMC.
- Sowing season
 - It was sown 100% of the land bank. The structure of crops has changed in the direction of decreasing areas under corn in favor of sunflower and wheat - corn 40%, sunflower 28%, wheat 27% (58%, 22% and 18% in 2022 respectively).
 - On 22 May 2023 IMC completed spring sowing-2023. A total of 78.5 thousand hectares were sown with spring crops, including 46.3 thousand hectares with corn and 32.2 thousand hectares with sunflower.
 - On 24 August 2023 IMC completed the harvesting of winter wheat with a record yield. This year, winter wheat was harvested from an area of 33.3 thousand hectares, 236 thousand tonnes of grain were harvested, the average yield was 7.1 t/ha - the record in the entire history of the company's activity.
 - In early October, IMC finished sowing of winter wheat. A total of 20.3 thousand hectares were sown for the 2024 harvest.
 - At the end of the second decade of October, harvesting of sunflower in the company was completed. A total of 92.7 thousand tonnes were harvested from an area of 32.1 thousand hectares with an average yield of 2.9 t/ha (the yield on the lands of the north of Chernihiv region, which were not cultivated last year due to the occupation and the subsequent need for examination for the presence of explosive objects, amounted to 2.2 t/ha, while on the remaining areas of Chernihiv region, Sumy region and Poltava region, the sunflower yield was 3.3 t/ha).
- The Group is developing additional shipping routes - there are contracts for shipment by rail across the western borders of Ukraine, as well as across the Danube.
- The Group has sufficient working capital and access to financing. Negotiations were held with banks and the validity of short-term credit lines was extended, a short-term loan was repaid with the condition of its refinancing at the end of spring.
- In June 2023 IMC signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) for USD 10 million. The loan funds will be used to upgrade the company's fleet of grain trucks, which will help improve operational efficiency and increase IMC's export capabilities.
- The Group is fully compliant with all sanctions' rules and regulations against Russia and Belarus. IMC does not cooperate with any company, organization or bank that cooperates or has any business relations with companies, organizations or banks in Russia and Belarus.
- The Group's companies continue to pay all taxes required by law and to comply with all business rules, regardless of martial law.

Management Responsibility Statement

This statement is provided to confirm that, to the best of our knowledge, the Condensed consolidated interim financial statements for the nine months ended 30 September 2023, 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 single 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 ALEX LISSITSA signed

Chief Financial Officer DMYTRO MARTYNIUK signed

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2023

(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
CONTINUING OPERATIONS			
Revenue	6	98 784	61 835
Gain from changes in fair value of biological assets and agricultural produce, net	7	23 507	42 350
Cost of sales	8	(92 399)	(59 387)
GROSS PROFIT		29 892	44 798
Administrative expenses	9	(7 118)	(14 616)
Selling and distribution expenses	10	(16 495)	(8 075)
Other operating income	11	924	800
Other operating expenses	12	(5 773)	(1 355)
Write-offs of property, plant and equipment		(25)	(14)
OPERATING PROFIT		1 405	21 538
Financial expenses, net	15	(536)	(357)
Effect of lease of right-of-use assets	19	(4 002)	(4 923)
Foreign currency exchange (loss)/gain, net	16	785	(11 069)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(2 348)	5 189
Income tax expenses, net	17	95	(521)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(2 253)	4 668
Net profit/(loss) for the period attributable to:			
Owners of the parent company		(2 033)	4 740
Non-controlling interests		(220)	(72)
Weighted average number of shares		35 500 464	33 809 847
Basic profit/(loss) per ordinary share (in USD)		(0,06)	0,14
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified to profit or loss:			
Effect of foreign currency translation		-	(48 574)
Items that will no be reclassified to profit or loss:			
Deferred tax charged directly to amortization of revaluation reserve		293	127
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		293	(48 447)
TOTAL COMPREHENSIVE PROFIT/(LOSS)		(1 960)	(43 779)
Comprehensive income/(loss) attributable to:			
Owners of the parent company		(1 740)	(43 872)
Non-controlling interests		(220)	93

signed

Alex Lissitsa
Chief Executive Officer

signed

Dmytro Martyniuk
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(in thousand USD, unless otherwise stated)

	Note	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	18	48 440	46 063	46 234
Right-of-use assets	19	113 057	118 968	120 048
Intangible assets	20	373	452	498
Non-current biological assets	21	-	-	-
Prepayments for property, plant and equipment		844	52	141
Total non-current assets		162 714	165 535	166 921
Current assets				
Inventories	22	71 150	71 164	61 108
Current biological assets	23	59 920	47 432	80 264
Trade accounts receivable, net	24	5 907	8 219	3 826
Prepayments and other current assets, net	25	10 000	9 285	11 835
Prepayments for income tax		257	-	36
Cash and cash equivalents	27	27 159	24 864	13 281
Total current assets		174 393	160 964	170 350
TOTAL ASSETS		337 107	326 499	337 271
LIABILITIES AND EQUITY				
Equity attributable to the owners of parent company				
Share capital	28	62	62	62
Share premium	28	37 425	37 425	37 425
Revaluation reserve	28	32 375	33 136	33 526
Retained earnings		256 076	257 055	262 333
Effect of foreign currency translation		(176 767)	(176 767)	(177 781)
Total equity attributable to the owners of parent company		149 171	150 911	155 565
Non-controlling interests		(816)	(596)	(512)
Total equity		148 355	150 315	155 053
Non-current liabilities				
Deferred tax liabilities	17	1 585	1 973	2 010
Long-term loans and borrowings	29	17 571	4 619	5 896
Long-term lease liabilities as to right-of-use assets	19	113 784	109 892	118 798
Total non-current liabilities		132 940	116 484	126 704
Current liabilities				
Current portion of long-term loans and borrowings	29	2 806	4 925	3 709
Current portion of long-term lease liabilities as to right-of-use assets	19	7 586	15 325	11 322
Short-term loans and borrowings	30	25 398	28 867	28 867
Trade accounts payable	31	13 853	2 873	7 768
Other current liabilities and accrued expenses	32	6 169	7 710	3 848
Total current liabilities		55 812	59 700	55 514
Total liabilities		188 752	176 184	182 218
TOTAL LIABILITIES AND EQUITY		337 107	326 499	337 271

signed

Alex Lissitsa
Chief Executive Officer

signed

Dmytro Martyniuk
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

(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
31 December 2021 (audited)	59	29 512	35 207	255 785	(129 042)	191 521	(605)	190 916
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	4 740	-	4 740	(72)	4 668
Amortization of revaluation reserve	-	-	(1 808)	1 808	-	-	-	-
Deferred tax charged directly to amortization of revaluation reserve	-	-	127	-	-	127	-	127
Other comprehensive income	-	-	-	-	(48 739)	(48 739)	165	(48 574)
Total comprehensive profit/(loss)	-	-	(1 681)	6 548	(48 739)	(43 872)	93	(43 779)
Contributions by and distributions to owners								
Issue of share capital	3	7 913	-	-	-	7 916	-	7 916
30 September 2022 (unaudited)	62	37 425	33 526	262 333	(177 781)	155 565	(512)	155 053
31 December 2022 (audited)	62	37 425	33 136	257 055	(176 767)	150 911	(596)	150 315
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	(2 033)	-	(2 033)	(220)	(2 253)
Amortization of revaluation reserve	-	-	(1 054)	1 054	-	-	-	-
Deferred tax charged directly to amortization of revaluation reserve	-	-	293	-	-	293	-	293
Total comprehensive profit/(loss)	-	-	(761)	(979)	-	(1 740)	(220)	(1 960)
30 September 2023 (unaudited)	62	37 425	32 375	256 076	(176 767)	149 171	(816)	148 355

signed _____

Alex Lissitsa
Chief Executive Officer

signed _____

Dmytro Martyniuk
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2023

(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax from continuing operations		(2 348)	5 189
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	(23 507)	(42 350)
Disposal of revaluation of biological assets and agricultural produce in the cost of sales, net	8	36 914	28 855
Depreciation and amortization	13	12 420	15 319
Effect of lease of right-of-use assets	19	4 002	4 923
Interest expenses and other financial expenses	15	1 542	1 064
Foreign currency exchange loss/(gain), net	16	22	11 008
Loss/(gain) on disposal of property, plant and equipment	11, 12	(172)	(156)
Write-offs of property, plant and equipment		25	14
Gain on recovery of assets previously written off	11	(15)	(9)
Interest income	15	(1 006)	(710)
Accruals for unused vacations		1 130	860
Write-offs of VAT	12	20	18
Shortages and losses due to impairment of inventories	12	5 305	48
Income from write-offs of accounts payable	11	(60)	(74)
Gain on disposal of inventories	11	(173)	(109)
Allowance for doubtful accounts receivable	12	15	8
Effect of modification of right-of-use assets	11	(405)	(245)
Expenses on options		-	7 893
Cash flows from operating activities before changes in working capital		33 709	31 546
Changes in trade accounts receivable		2 238	(3 822)
Changes in prepayments and other current assets		277	(3 328)
Changes in inventories		(41 512)	8 622
Changes in current biological assets		10 498	(39 004)
Changes in trade accounts payable		10 995	6 454
Changes in other current liabilities and accrued expenses		(3 959)	(7 839)
Cash flows from operations		12 246	(7 371)
Interest paid on loans and borrowings		(1 464)	(887)
Interest paid on lease liabilities as to right-of-use assets		(462)	(582)
Income tax paid		(257)	(530)
Net cash flows from operating activities		10 063	(9 370)

signed

Alex Lissitsa
Chief Executive Officer

signed

Dmytro Martyniuk
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (continued)

For the nine months ended 30 September 2023

(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(5 995)	(3 765)
Proceeds from disposal of property, plant and equipment		193	515
Net cash flows from investing activities		(5 802)	(3 250)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term loans and borrowings		14 303	3 217
Proceeds from short-term loans and borrowings		9 398	3 115
Repayment of long-term loans and borrowings		(3 470)	(384)
Repayment of short-term loans and borrowings		(12 867)	-
Repayment of long-term and short-term lease liabilities as to right-of-use assets		(9 330)	(4 959)
Net cash flows from financing activities		(1 966)	989
NET CASH FLOWS		2 295	(11 631)
Cash and cash equivalents as at the beginning of the period	27	24 864	28 830
Effect of translation into presentation currency		-	(3 918)
Cash and cash equivalents as at the end of the period	27	27 159	13 281

_____ **signed**

Alex Lissitsa
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.L. 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 September 2023	30 September 2022
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 an 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). As at 30 September 2023 the Group operates in 2 segments: crop farming and elevators and warehouses. As at 31 December 2022 the dairy farming segment was closed.

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

The Group's Condensed consolidated interim 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 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 2022.

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 September 2023 prepared in compliance with IFRS as approved by the European Union are approved on behalf of the Group's Board of Directors on 09 November 2023.

Going concern

These Condensed consolidated interim 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 interim financial statements do not include any adjustments should the Group be unable to continue as going concern. For further information, relating to the going concern, see pages 30.

Basis of measurement

The Condensed consolidated interim 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 interim 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 interim financial statements in United States Dollars ("USD") for the purposes of convenience of users of these 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 interim 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 interim financial statements are as follows:

Currency	30 September 2023	Average for 9M2023	31 December 2022	30 September 2022	Average for 9M2022	31 December 2021
UAH/USD	36,5686	36,5686	36,5686	36,5686	30,95288	27,2782
EUR/USD	1,05	1,08	1,07	0,97	1,06	1,13

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 interim financial statements, should be prepared as at the same date on the basis of consistent application of accounting policy for all companies of the Group.

3 Summary of significant 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 recognised 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 following categories of biological assets are distinguished by the Group:

- Non-current biological assets of plant-breeding;
- Non-current biological assets of cattle-breeding;
- Current biological assets of plant-breeding;
- Current biological assets of cattle-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.
- Biological assets of animal-breeding
The capitalized expenses include all the direct costs and overhead costs related to the livestock breeding. The types of costs that are capitalized in the current biological assets of animal breeding are the following: fodder, means of protection of animals and artificial insemination, fuel and other materials, wages and salaries expenses of production personnel and related charges, amortization and depreciation, third parties' services and other expenses related to the current biological assets of animal breeding.

All expenses related to the non-current biological assets of cattle breeding are included into the cost of milk. Respectively the Note of non-current biological assets does not include any capitalized costs.

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.

An option on Management Incentive Plan is classified as deferred expenses in the amount of exceeding of quoted share price under subscription price with impact on share premium in equity. The deferred expenses are recognized as expenses of the period in the line Wages and salaries of administrative personnel and related charges during the term of exercising of the option.

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 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 (including in substance 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 4th 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 4th 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 4th group is assessed at 0,95% on the deemed value of the land plots owned or leased by the entity (0,95% in 2022). As at 30 September, 5 of the companies comprising the Group were elected to pay single tax 4th group (2022: 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

The Ukrainian legislation provides various benefits and grants for companies engaged in agriculture. Such benefits and grants are approved by the Supreme Council of Ukraine, the Ministry of Agrarian Policy, Ministry of Finance and local authorities. The Group recognizes this type of benefits upon the receipt of funds as other operating income in the consolidated statement of comprehensive income.

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 interim financial statements. The Group discloses information about contingent liabilities in the Notes to the Condensed consolidated interim 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 interim 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 interim 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 interim 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. At the same time the deferred expenses were recognized in the amount of share premium. The deferred expenses are recognized as expenses of the period in the line Wages and salaries of administrative personnel and related charges during the term of exercising of the option.

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 interim 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 interim 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 interim 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 interim 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 2020 by an independent appraiser LLC "Asset Expertise" (ODS Certificate No.905/19 as of 28 November 2019 issued by State Property Fund of Ukraine).

Fair value of biological assets

Due to an absence of an active market for non-current biological assets for cattle-breeding and 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.

The fair value of current biological assets of cattle-breeding is measured using market prices as at reporting date. The fair value is determined based on market prices of milk, milk yields 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 Y2023.

Impairment of property, plant and equipment and intangible assets

The Group carries out revaluations on a regular basis and conducts a full valuation exercise if there is an indication of impairment. 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 three cash generating units: farming division, livestock breeding 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 1l
- 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 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 interim 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.

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 9M2023, consumer inflation amounted to 3,0% (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 interim 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 17 Insurance Contracts	1 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies)	1 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	1 January 2023
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
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

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

6 Revenue

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
Revenue from sales of finished products	a	98 615	61 750
Revenue from services rendered	b	169	85
		98 784	61 835

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 nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Corn	82 422	56 576
Sunflower	4 884	377
Wheat	10 781	3 552
Milk	-	331
Cattle	-	625
Other	528	289
	98 615	61 750

b) Revenue from services rendered was as follows:

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Transport	111	16
Storage	36	8
Other	22	61
	169	85

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

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Export	70 232	56 449
Domestic	28 552	5 386
	98 784	61 835

d) 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 nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
Agricultural produce	23	5 519	(268)
Current biological assets	23		
- Animal-breeding		-	(365)
- Plant-breeding		17 988	43 913
Non-current biological assets	21		
- Animal-breeding		-	(930)
		23 507	42 350

➤ **8 Cost of sales**

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
Raw materials	a	(82 092)	(60 961)
Change in inventories and work-in-progress	b	31 344	32 170
Depreciation and amortization	13	(11 849)	(14 643)
Wages and salaries of operating personnel and related charges	14	(9 741)	(7 050)
Fuel and energy supply		(12 582)	(6 185)
Third parties' services		(4 582)	(1 132)
Rent		(1 904)	(514)
Repairs and maintenance		(377)	(364)
Taxes and other statutory charges		(556)	(651)
Other expenses		(60)	(57)
		(92 399)	(59 387)

a) Raw materials for the nine months ended 30 September 2023 includes disposal of the gain recorded on initial recognition of realized agriculture produce and biological assets (both of current and non-current) in the amount of USD 36 914 thousand (USD 28 855 thousand for the nine months ended 30 September 2022).

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 nine	For the nine
		months ended 30	months ended 30
		September 2023	September 2022
		Unaudited	Unaudited
Wages and salaries of administrative personnel and related charges	14	(5 668)	(13 131)
Depreciation and amortisation	13	(370)	(410)
Professional services	a	(334)	(253)
Third parties' services		(48)	(168)
Bank services		(174)	(154)
Repairs and maintenance		(103)	(87)
Transport expenses		(200)	(169)
Other expenses		(221)	(244)
		(7 118)	(14 616)

➤ 10 Selling and distribution expenses

	Note	For the nine	For the nine
		months ended 30	months ended 30
		September 2023	September 2022
		Unaudited	Unaudited
Forwarding services		(14 707)	(7 576)
Delivery costs		(1 430)	(155)
Wages and salaries of sales personnel and related charges	14	(171)	(137)
Depreciation	13	(46)	(110)
Other expenses		(141)	(97)
		(16 495)	(8 075)

➤ 11 Other operating income

	Note	For the nine	For the nine
		months ended 30	months ended 30
		September 2023	September 2022
		Unaudited	Unaudited
Income from write-offs of accounts payable		60	74
Gain on recovery of assets previously written off		15	9
Gain on disposal of PPE		172	156
Gain on disposal of inventories		173	109
Effect of modification of right-of-use assets	a	405	245
Other income		99	207
		924	800

➤ 12 Other operating expenses

	Note	For the nine	For the nine
		months ended 30	months ended 30
		September 2023	September 2022
		Unaudited	Unaudited
Depreciation	13	(155)	(156)
Charity		(168)	(599)
Wages and salaries of non-operating personnel and related charges	14	(5)	(396)
Shortages and losses due to impairment of inventories		(5 305)	(48)
Write-offs of VAT		(20)	(18)
Allowance for doubtful accounts receivable	26	(15)	(8)
Other expenses		(105)	(130)
		(5 773)	(1 355)

➤ 13 Depreciation and amortisation

	Note	For the nine	For the nine
		months ended 30	months ended 30
		September 2023	September 2022
		Unaudited	Unaudited
Depreciation			
Cost of sales	8	(11 776)	(14 447)
Other operating expenses	9	(155)	(156)
Administrative expenses	10	(363)	(403)
Selling and distribution expenses	12	(46)	(110)
		(12 340)	(15 116)
Amortisation			
Cost of sales	8	(73)	(196)
Administrative expenses	10	(7)	(7)
		(80)	(203)
		(12 420)	(15 319)

➤ 14 Wages and salaries expenses

	For the nine	For the nine
	months ended 30	months ended 30
	September 2023	September 2022
	Unaudited	Unaudited
Wages and salaries	(13 100)	(18 595)
Related charges	(2 485)	(2 119)
	(15 585)	(20 714)
The average number of employees, persons	1 709	1 681
Remuneration of management	968	8 796

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

Note	For the nine months ended 30 September 2023		For the nine months ended 30 September 2022		
	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	(9 741)	1 198	(7 050)	1 181
Administrative personnel	9	(5 668)	493	(13 131)	482
Sales personnel	10	(171)	16	(137)	16
Non-operating personnel	12	(5)	2	(396)	2
		(15 585)	1 709	(20 714)	1 681

➤ 15 Financial expenses, net

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Interest income on bank deposits	1 006	710
Interest expenses on loans and borrowings	(1 363)	(941)
Other expenses	(179)	(126)
	(536)	(357)

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

As at 30 September 2023 Ukrainian Hryvnia remained stable against the USD compared 31 December 2022 (27,3% of devaluation as at 30 September 2022 compared 31 December 2021), 18,1% of devaluation for the average rate 9M2023/9M2022 in comparison with 11,2% of devaluation for the average rate 9M2022/9M2021. During the 9M2023 the Group recognised net foreign exchange gain in the amount of USD 785 thousand (relates mostly to the exchange rate differences when converting foreign currency revenue into hryvnias) and USD 11 069 thousand of net loss for the 9M2022 (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 nine months ended 30 September 2023 was: 18% in Ukraine, 12,5% in Cyprus, 21% in Luxembourg.

The components of income tax expenses were as follows:

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Current income tax	-	(571)
Deferred tax	95	50
	95	(521)

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	293	127
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The deferred tax liabilities were as follows:

	Property, plant and equipment
31 December 2021 (audited)	(2 895)
Income tax benefit (expenses) for the period recognized in profit or loss	50
Income tax benefit (expenses) for the period recognized in other comprehensive income	127
Effect of foreign currency translation	708
30 September 2022 (unaudited)	(2 010)
31 December 2022 (audited)	(1 973)
Income tax benefit (expenses) for the period recognized in profit or loss	95
Income tax benefit (expenses) for the period recognized in other comprehensive income	293
30 September 2023 (unaudited)	(1 585)

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
INITIAL COST						
31 December 2021 (audited)	59 096	41 987	20 957	311	140	122 491
Additions	84	1 307	2 108	19	77	3 595
Disposals	(640)	(758)	(531)	(6)	-	(1 935)
Transfer	86	5	-	-	(91)	-
Effect from translation into presentation currency	(14 942)	(10 752)	(5 566)	(81)	(33)	(31 374)
30 September 2022 (unaudited)	43 684	31 789	16 968	243	93	92 777
31 December 2022 (audited)	43 224	32 957	16 921	243	83	93 428
Additions	29	2 149	4 255	6	15	6 454
Disposals	(719)	(963)	(262)	(7)	-	(1 951)
30 September 2023 (unaudited)	42 534	34 143	20 914	242	98	97 931
ACCUMULATED DEPRECIATION						
31 December 2021 (audited)	(20 012)	(24 713)	(13 545)	(93)	-	(58 363)
Depreciation for the period	(1 285)	(2 292)	(1 506)	(31)	-	(5 114)
Disposals	369	677	515	1	-	1 562
Effect from translation into presentation currency	5 226	6 526	3 593	27	-	15 372
30 September 2022 (unaudited)	(15 702)	(19 802)	(10 943)	(96)	-	(46 543)
31 December 2022 (audited)	(15 582)	(20 357)	(11 322)	(104)	-	(47 365)
Depreciation for the period	(1 114)	(1 748)	(1 142)	(28)	-	(4 032)
Disposals	697	955	249	5	-	1 906
30 September 2023 (unaudited)	(15 999)	(21 150)	(12 215)	(127)	-	(49 491)
Net book value						
31 December 2021 (audited)	39 084	17 274	7 412	218	140	64 128
30 September 2022 (unaudited)	27 982	11 987	6 025	147	93	46 234
31 December 2022 (audited)	27 642	12 600	5 599	139	83	46 063
30 September 2023 (unaudited)	26 535	12 993	8 699	115	98	48 440

As at 31 December 2020 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.905/19 as of 28 November 2019 issued by State Property Fund of Ukraine).

▶ 19 Right-of-use assets

Amounts recognised in the consolidated statements of financial position:

	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
Right-of-use assets			
Land	111 616	116 165	116 695
Office	48	135	163
Machinery	1 393	2 668	3 190
	113 057	118 968	120 048
Lease liabilities as to right-of-use assets			
Long-term	113 784	109 892	118 798
Land	113 151	108 301	117 031
Office	-	26	64
Machinery	633	1 565	1 703
Current portion	7 586	15 325	11 322
Land	6 197	13 832	9 945
Office	66	157	157
Machinery	1 323	1 336	1 220
	121 370	125 217	130 120

Amounts recognised in the consolidated statements of comprehensive income:

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
Depreciation of right-of-use assets			
Land	8	(6 946)	(8 051)
Office	9	(87)	(102)
Machinery	8	(1 275)	(1 849)
		(8 308)	(10 002)
Effect of lease of right-of-use assets		(4 002)	(4 923)

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

	Land	Office	Machinery	Total
Net book value as at 31 December 2021 (audited)	161 906	335	6 373	168 614
Cost as at 31 December 2021 (audited)	177 355	451	12 432	190 238
Accumulated depreciation as at 31 December 2021 (audited)	(15 448)	(116)	(6 059)	(21 624)
Additions	6 164	-	-	6 164
Depreciation	(8 051)	(102)	(1 849)	(10 002)
Disposals	(2 932)	-	-	(2 932)
Cost disposals	(3 674)	-	-	(3 674)
Accumulated depreciation disposals	742	-	-	742
Effect from translation into presentation currency	(40 392)	(70)	(1 334)	(41 796)
Cost as at 30 September 2022 (unaudited)	134 405	336	9 274	144 015
Accumulated depreciation as at 30 September 2022 (unaudited)	(17 710)	(173)	(6 084)	(23 967)
Net book value as at 30 September 2022 (unaudited)	116 695	163	3 190	120 048
Net book value as at 31 December 2022 (audited)	116 165	135	2 668	118 968
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	6 645	-	-	6 645
Depreciation	(6 946)	(87)	(1 275)	(8 308)
Disposals	(4 248)	-	-	(4 248)
Cost disposals	(5 470)	-	-	(5 470)
Accumulated depreciation disposals	1 222	-	-	1 222
Cost as at 30 September 2023 (unaudited)	136 766	336	9 274	146 376
Accumulated depreciation as at 30 September 2023 (unaudited)	(25 150)	(288)	(7 881)	(33 319)
Net book value as at 30 September 2023 (unaudited)	111 616	48	1 393	113 057

▶ 20 Intangible assets

	Computer software	Property certificates	Land lease rights	Total
INITIAL COST				
31 December 2021 (audited)	82	225	9 451	9 758
Disposal	-	(3)	-	(3)
Effect from translation into presentation currency	(21)	(57)	(2 401)	(2 479)
30 September 2022 (unaudited)	61	165	7 050	7 276
31 December 2022 (audited)	61	165	7 050	7 276
Addition	1	-	-	1
Disposal	(1)	-	-	(1)
30 September 2023 (unaudited)	61	165	7 050	7 276
ACCUMULATED AMORTISATION				
31 December 2021 (audited)	(38)	(4)	(8 816)	(8 858)
Amortisation for the period	(7)	(1)	(195)	(203)
Effect from translation into presentation currency	11	1	2 271	2 283
30 September 2022 (unaudited)	(34)	(4)	(6 740)	(6 778)
31 December 2022 (audited)	(37)	(4)	(6 783)	(6 824)
Amortisation for the period	(7)	(1)	(72)	(80)
Disposal	1	-	-	1
30 September 2023 (unaudited)	(43)	(5)	(6 855)	(6 903)
NET BOOK VALUE				
31 December 2021 (audited)	44	221	635	900
30 September 2022 (unaudited)	27	161	310	498
31 December 2022 (audited)	24	161	267	452
30 September 2023 (unaudited)	18	160	195	373

Property certificates represent deeds supporting ownership right for property units of members of agricultural entity, which are intended for exchange by the Group companies on the property objects of this agricultural entity.

▶ 21 Non-current biological assets

	30 September 2023		31 December 2022		30 September 2022	
	Unaudited		Audited		Unaudited	
Animal-breeding	Units	Book value	Units	Book value	Units	Book value
Cattle	-	-	-	-	-	-
Plant-breeding	Area, ha	Book value	Area, ha	Book value	Area, ha	Book value
Perennial grasses	-	-	-	-	-	-
Total non-current biological assets	-	-	-	-	-	-

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

	Cattle
31 December 2021 (audited)	1 755
Transfer (from (to) current biological assets)	(617)
Change in fair value	(930)
Effect from translation into presentation currency	(208)
30 September 2022 (unaudited)	-
31 December 2022 (audited)	-
30 September 2023 (unaudited)	-

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

	Perennial grasses
31 December 2021 (audited)	15
Harvesting	(15)
30 September 2022 (unaudited)	-
31 December 2022 (audited)	-
30 September 2023 (unaudited)	-

22 Inventories

	Note	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
Agricultural produce	a	61 137	58 149	50 220
Work-in-progress	b	2 713	6 955	4 346
Agricultural materials		5 041	3 722	4 554
Spare parts		319	267	305
Fuel		1 334	1 481	994
Raw materials		467	456	550
Other inventories		139	134	139
		71 150	71 164	61 108

As at 30 September 2023 cost value of inventories amounts to USD 67 167 thousand (USD 47 981 thousand as at 31 December 2022, USD 39 800 thousand as at 30 September 2022).

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

	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
Corn	12 517	45 921	32 110
Wheat	31 483	11 946	16 990
Sunflower	17 008	105	969
Other	129	177	151
	61 137	58 149	50 220

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).

➤ 23 Current biological assets

	30 September 2023		31 December 2022		30 September 2022	
	Unaudited		Audited		Unaudited	
Animal-breeding	Units	Book value	Units	Book value	Units	Book value
Cattle	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	-	-	-
Plant-breeding	Area, ha	Book value	Area, ha	Book value	Area, ha	Book value
Wheat	20 270	4 094	32 866	9 910	22 166	5 687
Corn	45 283	50 040	30 148	37 522	50 216	56 415
Sunflower	7 578	5 786	-	-	18 416	18 162
	73 131	59 920	63 014	47 432	90 798	80 264
Total current biological assets	-	59 920	-	47 432	-	80 264

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

	Cattle	Other	Total
31 December 2021 (audited)	997	2	999
Capitalized expenses	195	-	195
Transfer (from (to) non-current biological assets)	617	-	617
Sale	(1 296)	(2)	(1 298)
Slaughter	(30)	-	(30)
Change in fair value	(365)	-	(365)
Effect from translation into presentation currency	(118)	-	(118)
30 September 2022 (unaudited)	-	-	-
31 December 2022 (audited)	-	-	-
30 September 2023 (unaudited)	-	-	-

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

	Wheat	Corn	Sunflower	Grasses	Total
31 December 2021 (audited)	15 785	-	-	-	15 785
Capitalized expenses (harvest 2022)	10 253	34 140	10 729	11	55 133
Revaluation at fair value at the date of harvest (harvest 2022)	(1 148)	-	880	-	(268)
Harvesting (harvest 2022)	(23 006)	-	(1 565)	(11)	(24 582)
Capitalized expenses (harvest 2023)	6 718	-	-	-	6 718
Revalued at fair value (harvest 2022)	-	32 499	11 414	-	43 913
Effect from translation into presentation currency	(2 915)	(10 224)	(3 296)	-	(16 435)
30 September 2022 (unaudited)	5 687	56 415	18 162	-	80 264
31 December 2022 (audited)	9 910	37 522	-	-	47 432
Capitalized expenses (harvest 2022)	-	3 303	-	-	3 303
Revaluation at fair value at the date of harvest (harvest 2022)	-	(104)	-	-	(104)
Harvesting (harvest 2022)	-	(40 721)	-	-	(40 721)
Capitalized expenses (harvest 2023)	17 881	33 612	22 219	6	73 718
Revaluation at fair value at the date of harvest (harvest 2023)	1 567	303	3 753	-	5 623
Harvesting (harvest 2023)	(29 358)	(1 450)	(20 599)	(6)	(51 413)
Revalued at fair value (harvest 2023)	-	17 575	413	-	17 988
Capitalized expenses (harvest 2024)	4 094	-	-	-	4 094
30 September 2023 (unaudited)	4 094	50 040	5 786	-	59 920

As at 30 September 2023, 31 December 2022, 30 September 2022 and 31 December 2021 there were no pledged biological assets.

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, 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 9M2023.

Description	Fair value as at 30 September 2023	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Crops in fields - Corn	50 040	Discounted cash flows	Crops yield - tonnes per hectare	11	The higher the crops yield, the higher the fair value
			Crops price	USD 109 per ton	The higher the market price, the higher the fair value
			Discount rate	32,28%	The higher the discount rate, the lower the fair value
			Future production cost	USD 98 per ha	The higher the future production cost, the lower the fair value

Description	Fair value as at 30 September 2023	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Crops in fields - Sunflower	5 786	Discounted cash flows	Crops yield - tonnes per hectare	2,9	The higher the crops yield, the higher the fair value
			Crops price	USD 282 per ton	The higher the market price, the higher the fair value
			Discount rate	32,28%	The higher the discount rate, the lower the fair value
			Future production cost	USD 53 per ha	The higher the future production cost, the lower the fair value

▶ 24 Trade accounts receivable, net

	Note	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
Trade accounts receivable		6 011	8 275	3 867
Allowances for accounts receivable	26	(104)	(56)	(41)
		5 907	8 219	3 826

▶ 25 Prepayments and other current assets, net

	Note	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
Prepayments and other non-financial assets:				
VAT for reimbursement		7 842	6 943	7 945
Advances to suppliers		1 777	2 025	3 529
Allowances for advances to suppliers	26	(27)	(37)	(45)
		9 592	8 931	11 429
Other financial assets:				
Non-bank accommodations interest free		333	313	382
Allowances for non-bank accommodations interest free	26	(2)	(3)	(4)
Other accounts receivable		118	85	79
Allowances for other accounts receivable	26	(41)	(41)	(50)
		408	354	407
		10 000	9 285	11 835

▶ 26 Changes in allowances made

	Note	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
Allowances for trade accounts receivable	24	(104)	(56)	(41)
Allowances for advances to suppliers	25	(27)	(37)	(45)
Allowances for non-bank accommodations interest free	25	(2)	(3)	(4)
Allowances for other accounts receivable	25	(41)	(41)	(50)
Allowances for prepayments for property, plant and equipment		(15)	(42)	(12)
		(189)	(179)	(152)

The movements of the allowances were as follows:

	Note	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
		Unaudited	Unaudited
As at the beginning of the period		(179)	(205)
Accrual	12	(15)	(8)
Use of allowances		5	8
Effect from translation into presentation currency		-	53
As at the end of the period		(189)	(152)

▶ 27 Cash and cash equivalents

	Currency	30 September 2023	31 December 2022	30 September 2022
		Unaudited	Audited	Unaudited
Cash in bank and hand	USD	15 462	16 614	10 736
Cash in bank and hand	UAH	11 530	6 883	1 748
Cash in bank and hand	EUR	116	1 305	790
Cash in bank and hand	PLN	51	62	7
		27 159	24 864	13 281

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

▶ 28 Equity

Share capital

IMC S.A. has one class of ordinary shares. The number of authorized, issued and fully paid shares as at 30 September 2023 is 35 500 464 (31 December 2022 - 35 500 464, 30 September 2022 – 35 500 464). All shares have equal voting rights. Par value of one share is USD 0,0017 (EUR 0,0012).

	30 September 2023		31 December 2022		30 September 2022	
	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	5,50	3
Other shareholders (each one less than 5% of the share capital)	18,31	11	18,31	11	18,36	11
	100	62	100	62	100	62

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

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Number of authorized, issued and fully paid shares		
As at the beginning of the period	35 500 464	33 178 000
Changes for the period	-	2 322 464-
As at the end of the period	35 500 464	35 500 464

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 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.

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.

▶ 29 Long-term loans and borrowings

	Currency	30 September	31 December	30 September
		2023	2022	2022
		Unaudited	Audited	Unaudited
Secured				
Long-term bank loans	USD	20 377	9 544	9 605
Current portion of long-term bank loans	USD	(2 806)	(4 925)	(3 709)
Total long-term loans and borrowings		17 571	4 619	5 896

Essential terms of credit contracts

Creditor	Year of maturity	Currency	Nominal interest rate	30 September 2023	
				Unaudited	
				Long-term liabilities	Including current portion
Ukrainian bank	2024	USD	4,90%	327	327
Ukrainian bank	2026	USD	4,98%	1 433	834
Ukrainian bank	2026	USD	3,70%	1 641	615
Ukrainian bank	2026	USD	2,40%	2 673	891
Ukrainian bank	2028	USD	4,80%	731	78
Ukrainian bank	2028	USD	5,70%	572	61
Non-resident bank	2028	USD	1,00%	3 000	-
Non-resident bank	2028	USD	4%+SOFR 3M	10 000	-
				20 377	2 806

Creditor	Year of maturity	Currency	Nominal interest rate	31 December 2022	
				Audited	
				Long-term liabilities	Including current portion
Ukrainian bank	2023	USD	5,00%	482	482
Ukrainian bank	2024	USD	4,90%	849	719
Ukrainian bank	2026	USD	4,98%	2 544	1 527
Ukrainian bank	2026	USD	3,70%	2 461	1 128
Ukrainian bank	2026	USD	2,40%	3 208	1 069
				9 544	4 925

Creditor	Year of maturity	Currency	Nominal interest rate	30 September 2022	
				Unaudited	
				Long-term liabilities	Including current portion
Ukrainian bank	2023	USD	5,00%	542	542
Ukrainian bank	2024	USD	4,90%	849	523
Ukrainian bank	2026	USD	4,98%	2 544	1 111
Ukrainian bank	2026	USD	3,70%	2 461	820
Ukrainian bank	2026	USD	2,40%	3 209	713
				9 605	3 709

Long-term loans outstanding were repayable as follows:

	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
Within one year	2 806	4 925	3 709
In the second to fifth year inclusive	17 571	4 619	5 896
	20 377	9 544	9 605

The Group has committed to comply with loans covenants.

As at 30 September 2023, 31 December 2022, 30 September 2022 the Group was in compliance with all loans covenants.

▶ 30 Short-term loans and borrowings

Secured

Short-term bank loans
Short-term bank loans

Currency	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
USD	25 398	27 500	27 500
UAH	-	1 367	1 367
	25 398	28 867	28 867

Essential terms of credit contracts

Creditor	Currency	Nominal interest rate	30 September 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
			25 398

Creditor	Currency	Nominal interest rate	31 December 2022
			Audited
Ukrainian bank	USD	5,75%	10 000
Ukrainian bank	USD	5,60%	6 500
Ukrainian bank	USD	5,60%	5 000
Ukrainian bank	USD	2,90%	5 000
Ukrainian bank	USD	2,90%	1 000
	UAH	12,89%	1 367
			28 867

Creditor	Currency	Nominal interest rate	30 September 2022
			Unaudited
Ukrainian bank	USD	4,75%	10 000
Ukrainian bank	USD	4,80%	5 000
Ukrainian bank	USD	4,80%	5 000
Ukrainian bank	USD	2,90%	5 000
Ukrainian bank	USD	3,90%	1 500
Ukrainian bank	USD	2,90%	1 000
Ukrainian bank	UAH	0,00%	1 367
			28 867

▶ 31 Trade accounts payable

	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
Trade accounts payable	13 853	2 873	7 768

▶ 32 Other current liabilities and accrued expenses

	30 September 2023	31 December 2022	30 September 2022
	Unaudited	Audited	Unaudited
Other liabilities:			
Advances from clients	2 193	4 573	1 933
Other accounts payable:			
Wages, salaries and related charges payable	1 373	1 598	698
Accruals for unused vacations	1 173	899	812
Interest payable on bank loans	90	117	84
Accounts payable for non-current tangible assets	1 269	58	64
Accruals for audit services	2	135	-
Taxes payable	56	317	246
Other accounts payable	13	13	11
	3 976	3 137	1 915
Total other current liabilities and accrued expenses	6 169	7 710	3 848

▶ 33 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:

	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	Unaudited	Unaudited
Wages and salaries	547	8 451
Directors fees	394	314
Related charges	27	31
	968	8 796
The average number of employees, persons	6	6

➤ 34 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;
- Dairy farming - a segment which deals with breeding and sale of biological assets and agricultural products of live farming. Basic agricultural product of live farming for sale in this segment is milk;
- Elevators and warehouses - a segment which deals with storage and processing of agricultural produce.

As at 31 December 2022 the dairy farming segment was closed.

Information on business segments for the nine months ended 30 September 2023 was as follows:

	Crop farming	Elevators and warehouses	Unallocated	Total
Revenue	119 051	4 293	-	123 344
Intra-group elimination	(20 436)	(4 124)	-	(24 560)
Revenue from external buyers	98 615	169	-	98 784
Gain from changes in fair value of biological assets and agricultural produce, net	23 507	-	-	23 507
Cost of sales	(91 353)	(1 046)		(92 399)
Gross income	30 769	(877)	-	29 892
Administrative expenses	-	-	(7 118)	(7 118)
Selling and distribution expenses	-	-	(16 495)	(16 495)
Other operating income	-	-	924	924
Other operating expenses	-	-	(5 773)	(5 773)
Write-offs of property, plant and equipment	-	-	(25)	(25)
Operating income of a segment	30 769	(877)	(28 487)	1 405
Financial expenses, net	-	-	(536)	(536)
Effect of lease of right-of-use assets	-	-	(4 002)	(4 002)
Foreign currency exchange (loss)/gain, net	-	-	785	785
Profit before tax	30 769	(877)	(32 240)	(2 348)
Income tax expenses, net	-	-	95	95
Net profit	30 769	(877)	(32 145)	(2 253)

	Crop farming	Elevators and warehouses	Unallocated	Total
Other segment information:				
Depreciation and amortisation	11 069	1 351	-	12 420
Additions to non-current assets:				
Property, plant and equipment	5 183	1 271	-	6 454
Right-of-use assets	6 645	-	-	6 645
Intangible assets	-	-	-	-

Information on business segments for the nine months ended 30 September 2022 was as follows:

	Crop farming	Dairy farming	Elevators and warehouses	Unallocated	Total
Revenue	110 509	956	2 628	-	114 093
Intra-group elimination	(49 715)	-	(2 543)	-	(52 258)
Revenue from external buyers	60 794	956	85	-	61 835
Gain from changes in fair value of biological assets and agricultural produce, net	43 645	(1 295)	-	-	42 350
Cost of sales	(57 957)	(1 412)	(18)	-	(59 387)
Gross income	46 482	(1 751)	67	-	44 798
Administrative expenses	-	-	-	(14 616)	(14 616)
Selling and distribution expenses	-	-	-	(8 075)	(8 075)
Other operating income	-	-	-	800	800
Other operating expenses	-	-	-	(1 355)	(1 355)
Write-offs of property, plant and equipment	-	-	-	(14)	(14)
Operating income of a segment	46 482	(1 751)	67	(23 260)	21 538
Financial expenses, net	-	-	-	(357)	(357)
Effect of lease of right-of-use assets	-	-	-	(4 923)	(4 923)
Foreign currency exchange (loss)/gain, net	-	-	-	(11 069)	(11 069)
Profit before tax	46 482	(1 751)	67	(39 609)	5 189
Income tax expenses, net	-	-	-	(521)	(521)
Net profit	46 482	(1 751)	67	(40 130)	4 668
Other segment information:					
Depreciation and amortisation	13 527	49	1 743	-	15 319
Additions to non-current assets:					
Property, plant and equipment	3 503	-	92	-	3 595
Right-of-use assets	6 164	-	-	-	6 164

▶ 35 Subsequent events

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

Loans and borrowings are received in the amount of USD 1 407 thousand.

Loans and borrowings and interests are repaid in the amount of USD 2 415 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 interim financial statements.

