IMC S.A. and its subsidiaries

Condensed consolidated interim financial statements
For the nine months ended 30 September 2021

CONTENTS

Statement of Board of Directors responsibilities for preparation and approval of Condensed consolidated interim financial statements for the nine months ended 30 September 2021

Board of Directors of the Group of companies "IMC" (the Group) is responsible for preparing the Condensed consolidated interim financial statements which reflect in all material aspects the financial position of the Group as at 30 September 2021, as well as the results of its activities, cash flows and changes in equity for the nine months then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In preparing Condensed consolidated interim financial statements the Group's Board of Directors is responsible for:

- selecting appropriate accounting policies and their consistent application;

- making reasonable measurement and calculation;

- following principles of IFRS as adopted by the European Union or disclosing all considerable deviations from IFRS in the notes to Condensed consolidated interim financial statements;

- preparing Condensed consolidated interim financial statements of the Group on the going concern basis, except for the cases when such assumption is not appropriate;

- accounting and disclosing in the Condensed consolidated interim financial statements all the relations and transactions between related parties;

- accounting and disclosing in the Condensed consolidated interim financial statements all subsequent events that would result in an adjustment or a disclosure;

- disclosing all claims related to previous or potential legal proceedings;

- disclosing in the Condensed consolidated interim financial statements all the loans or guarantees to the Management.

The Group's Board of Directors is also responsible for:

- development, implementation and control over effective and reliable internal control system in the Group;

- keeping accounting records in compliance with the legislation and accounting standards of the respective country of the Group's registration;

- taking reasonable steps within its cognizance to safeguard the assets of the Group;

- detecting and preventing fraud and other irregularities.

These Condensed consolidated interim financial statements as at 30 September 2021 prepared in compliance with IFRS as approved by the European Union are approved on behalf of the Group's Board of Directors on 11 November 2021.

On behalf of the Board of Directors:

Chief Executive Officer	ALEX LISSITSA	signed
Chief Financial Officer	DMYTRO MARTYNIUK	signed

Management 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 2021, 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, fair and clear view of Group's assets, financial standing and net results, and that the directors' report on the operations truly reflects the development, achievements and position of the Group, including a description of the key risk factors and threats.

On behalf of the Board of Directors:

Chief Executive Officer	ALEX LISSITSA	signed
Chief Financial Officer	DMYTRO MARTYNIUK	signed

Single management report

1. Operational and Financial 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 2021	For the nine months ended 30 September 2020	Changes, %
	Unaudited	Unaudited	
CONTINUING OPERATIONS			
Revenue	110 431	113 841	-3%
Gain from changes in fair value of biological assets and agricultural produce, net	90 742	64 204	41%
Cost of sales	(97 374)	(106 626)	-9%
GROSS PROFIT	**103 799**	**71 419**	**45%**
Administrative expenses	(8 380)	(8 683)	-3%
Selling and distribution expenses	(10 183)	(12 861)	-21%
Other operating income	3 811	833	358%
Other operating expenses	(1 855)	(1 515)	22%
Write-offs of property, plant and equipment	(73)	(78)	-7%
OPERATING PROFIT	**87 119**	**49 115**	**77%**
Financial expenses, net	(804)	(1 700)	-53%
Effect of lease of right-of-use assets	(5 222)	(5 484)	-5%
Effect of additional return	-	(710)	-100%
Foreign currency exchange (loss)/gain, net	3 122	(7 704)	-141%
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**84 215**	**33 517**	**151%**
Income tax expenses, net	(1 006)	(345)	191%
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**83 209**	**33 172**	**151%**

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.

Normalised EBITDA calculation for the period (from continuing operations) is presented as follows:

(in thousand USD)	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020	Changes, %
	Unaudited	Unaudited	
CONTINUING OPERATIONS			
Net profit for the period	83 209	33 172	
Financial expenses, net	804	1 700	
Income tax expenses, net	1 006	345	
Depreciation and amortization	18 136	15 519	
Write-offs of property, plant and equipment	73	78	
Effect of lease of right-of-use assets	5 222	5 484	
Foreign currency exchange (loss)/gain, net	(3 122)	7 704	
Non recurring items:			
Effect of additional return	-	710	
Normalised EBITDA	**105 328**	**64 712**	**63%**

Company's Normalised EBITDA increased in 3Q2021 in comparison with 3Q2020 mainly due to higher crop prices, resulted in increase of gross profir for the period.

Revenue

The Company's revenue from sales of finished products decreased by 3% in 3Q2021 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 2021	For the nine months ended 30 September 2020	Changes, %
	Unaudited	Unaudited	
Corn	83 112	77 126	8%
Sunflower	2 891	16 615	-83%
Wheat	22 425	17 193	30%
Milk	1 095	1 029	6%
Soy beans	-	441	-100%
Cattle	164	278	-41%
Other	525	373	41%
	110 213	**113 055**	**-3%**

The most significant portion of the Company's revenue comes from selling corn, which represented 75,4% in 3Q2021 and 68,2% in 3Q2020 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:

(in thousand USD)	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Corn		
Sales of produced corn (in tonnes)	405 742	452 451
Realization price (U.S. $ per ton)	205	170
Revenue from produced corn (U.S. $ in thousands)	83 112	77 126
Sunflower		
Sales of produced sunflower (in tonnes)	6 564	49 263
Realization price (U.S. $ per ton)	440	337
Revenue from produced sunflower (U.S. $ in thousands)	2 891	16 615
Wheat		
Sales of produced wheat (in tonnes)	102 350	92 475
Realization price (U.S. $ per ton)	219	186
Revenue from produced wheat (U.S. $ in thousands)	22 425	17 193
Soy beans		
Sales of produced soy beans (in tonnes)	-	1 308
Realization price (U.S. $ per ton)	-	337
Revenue from produced soy beans (U.S. $ in thousands)	-	441
Other (produced only)		
Total sales volume (in tonnes)	3 366	5 256
Total revenues (U.S. $ in thousands)	525	373
Total sales volume (in tonnes)	**518 022**	**600 753**
Total revenue from sale of crops (U.S. $ in thousands)	**108 953**	**111 748**

Revenue relating to sales of corn increased by 8% to USD 83,1 million in current period from USD 77,1 million in previous period due to increase in prices in 3Q2021.

Revenue relating to sales of sunflower decreased by 83% to USD 2,9 million in current period from USD 16,6 million in previous period due to decrease in sales volumes in 3Q2021.

Revenue relating to sales of wheat increased by 30% to USD 22,4 million in current period from USD 17,2 million in previous period due to increase in both sales volumes and prices in 3Q2021.

Cost of sales

The Company's cost of sales changed to USD 97,4 million in current period from USD 106,6 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 2021	For the nine months ended 30 September 2020	Changes, %
	Unaudited	Unaudited	
Raw materials	(75 073)	(74 325)	1%
Change in inventories and work-in-progress	11 685	(915)	-1377%
Depreciation and amortization	(16 777)	(14 366)	17%
Wages and salaries of operating personnel and related charges	(8 917)	(9 392)	-5%
Fuel and energy supply	(4 114)	(3 559)	16%
Third parties' services	(1 871)	(1 949)	-4%
Rent	(911)	(875)	4%
Repairs and maintenance	(535)	(798)	-33%
Taxes and other statutory charges	(766)	(350)	119%
Other expenses	(95)	(97)	-2%
	(97 374)	**(106 626)**	**-9%**

Gross profit

The Company's gross profit increased to USD 103,8 million in current period from USD 71,4 million in previous period, an 45% year-on-year increase - this was a reflection of the increase in prices for crops, which led to an increase in sales revenue and gain from changes in fair value of biological assets and agricultural produce, net.

Administrative expenses

Administrative expenses decreased year-on-year to USD 8,4 million in current period from USD 8,7 million in previous period, reflecting a decrease in wages and salaries of administrative personnel and related charges.

Selling and distribution expenses

Selling and distribution expenses decreased year-on-year to USD 10,2 million in current period from USD 12,9 million in previous period, reflecting a decrease in sales volume in 3Q2021.

Foreign currency exchange, net

Net result of foreign currency exchange increase to USD 3,1 million of net gain in current period from USD 7,7 million of net loss in previous period. This increase reflected the revaluation of UAH in 3Q2021 in comparison with 3Q2020 – 6,4% of revaluation as at 30 September 2021 in comparison with 16,3% of devaluation as at 30 September 2020.

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 2021	For the nine months ended 30 September 2020	Changes, %
	Unaudited	Unaudited	
Net cash flows from operating activities	48 599	49 161	-1%
Net cash flows from investing activities	(5 865)	(4 634)	27%
Net cash flows from financing activities	(40 985)	(26 875)	53%
Net increase in cash and cash equivalents	**1 749**	**17 652**	**-90%**

Net cash flow from operating activities

The Company's net cash inflow from operating activities remained practically unchanged - USD 48,6 million in current period and USD 49,2 million in previous period.

Net cash flow from investing activities

The Company's net cash outflow from investing activities increases to USD 5,9 million from USD 4,6 million, which is in line with the Group's CAPEX program.

Net cash flow from financing activities

Net cash outflow from financing activities increased to USD 41,0 million in current period from USD 26,9 million in previous period, reflecting the Group's dividend program.

2. Selected Financial Data

	(in thousand USD, unless otherwise stated)	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
I.	Revenue	110 431	113 841
II.	Operating profit/(loss)	87 119	49 115
III.	Profit/(loss) before income tax	84 215	33 517
IV.	Net profit/(loss)	83 209	33 172
V.	Net cash flow from operating activity	48 599	49 161
VI.	Net cash flow from investing activity	(5 865)	(4 634)
VII.	Net cash flow from financing activity	(40 985)	(26 875)
VIII.	Total net cash flow	1 749	17 652
IX.	Total assets	436 979	304 003
X.	Share capital	59	59
XI.	Total equity	206 845	135 095
XII.	Non-current liabilities	174 626	100 061
XIII.	Current liabilities	55 508	68 847
XIV.	Weighted average number of shares	33 178 000	33 178 000
XV.	Profit/(loss) per ordinary share (in USD)	2,51	1,00
XVI.	Book value per share (in USD)	6,23	4,07

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 2021

(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
CONTINUING OPERATIONS			
Revenue	6	110 431	113 841
Gain from changes in fair value of biological assets and agricultural produce, net	7	90 742	64 204
Cost of sales	8	(97 374)	(106 626)
GROSS PROFIT		**103 799**	**71 419**
Administrative expenses	9	(8 380)	(8 683)
Selling and distribution expenses	10	(10 183)	(12 861)
Other operating income	11	3 811	833
Other operating expenses	12	(1 855)	(1 515)
Write-offs of property, plant and equipment		(73)	(78)
OPERATING PROFIT		**87 119**	**49 115**
Financial expenses, net	15	(804)	(1 700)
Effect of lease of right-of-use assets	19	(5 222)	(5 484)
Effect of additional return	29	-	(710)
Foreign currency exchange (loss)/gain, net	16	3 122	(7 704)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**84 215**	**33 517**
Income tax expenses, net	17	(1 006)	(345)
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**83 209**	**33 172**
Net profit/(loss) for the period attributable to:			
Owners of the parent company		83 500	33 469
Non-controlling interests		(291)	(297)
Weighted average number of shares		33 178 000	33 178 000
Basic profit per ordinary share (in USD)		2,51	1,00
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified to profit or loss:			
Effect of foreign currency translation		10 150	(24 339)
Items that will no be reclassified to profit or loss:			
Deferred tax charged directly to amortization of revaluation reserve		199	109
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**10 349**	**(24 230)**
TOTAL COMPREHENSIVE PROFIT		**93 558**	**8 942**
Comprehensive income/(loss) attributable to:			
Owners of the parent company		93 880	9 273
Non-controlling interests		(322)	(331)

signed
Alex Lissitsa
Chief Executive Officer

signed
Dmytro Martyniuk
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

(in thousand USD, unless otherwise stated)

	Note	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Anaudited	Unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	18	68 040	65 881	62 052
Right-of-use assets	19	171 509	93 963	95 546
Intangible assets	20	1 016	1 230	1 331
Non-current biological assets	21	2 346	2 027	2 114
Prepayments for property, plant and equipment		227	159	104
Total non-current assets		**243 138**	**163 260**	**161 147**
Current assets				
Inventories	22	21 026	81 978	18 894
Current biological assets	23	143 781	11 269	94 409
Trade accounts receivable, net	24	572	202	4 201
Prepayments and other current assets, net	25	8 091	5 389	5 468
Prepayments for income tax		63	-	26
Cash and cash equivalents	27	20 308	17 990	19 858
Total current assets		**193 841**	**116 828**	**142 856**
TOTAL ASSETS		**436 979**	**280 088**	**304 003**
LIABILITIES AND EQUITY				
Equity attributable to the owners of parent company				
Share capital	28	59	59	59
Share premium	28	29 512	29 512	29 512
Revaluation reserve	28	36 248	40 151	37 338
Retained earnings		264 435	201 973	201 799
Effect of foreign currency translation		(123 277)	(133 458)	(133 603)
Total equity attributable to the owners of parent company		**206 977**	**138 237**	**135 105**
Non-controlling interests		(132)	190	(10)
Total equity		**206 845**	**138 427**	**135 095**
Non-current liabilities				
Deferred tax liabilities	30	3 141	3 177	2 586
Long-term loans and borrowings	31	5 648	4 207	5 335
Long-term lease liabilities as to right-of-use assets	19	165 837	82 396	92 140
Total non-current liabilities		**174 626**	**89 780**	**100 061**
Current liabilities				
Current portion of long-term borrowings	31	2 247	3 023	9 185
Current portion of long-term lease liabilities as to right-of-use assets	19	5 135	16 765	6 494
Short-term loans and borrowings	32	25 866	26 000	27 000
Trade accounts payable		16 372	963	18 567
Other current liabilities and accrued expenses	33	5 888	5 116	7 601
Income tax liabilities		-	14	-
Total current liabilities		**55 508**	**51 881**	**68 847**
Total liabilities		**230 134**	**141 661**	**168 908**
TOTAL LIABILITIES AND EQUITY		**436 979**	**280 088**	**304 003**

signed
Alex Lissitsa
Chief Executive Officer

signed
Dmytro Martyniuk
Chief Financial Officer

INNOVATIONS MANAGEMENT COMMITMENT

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2021
(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 2019 (audited)	**59**	**29 512**	**39 654**	**172 945**	**(109 298)**	**132 872**	**321**	**133 193**
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	33 469	-	**33 469**	(297)	**33 172**
Amortization of revaluation reserve	-	-	(2 425)	2 425	-	**-**	-	**-**
Deferred tax charged directly to amortization of revaluation reserve	-	-	109	-	-	**109**	-	**109**
Other comprehensive income	-	-	-	-	(24 305)	**(24 305)**	(34)	**(24 339)**
Total comprehensive profit/(loss)	**-**	**-**	**(2 316)**	**35 894**	**(24 305)**	**9 273**	**(331)**	**8 942**
30 September 2020 (unaudited)	**59**	**29 512**	**37 338**	**208 839**	**(133 603)**	**142 145**	**(10)**	**142 135**
31 December 2020 (audited)	**59**	**29 512**	**40 151**	**201 973**	**(133 458)**	**138 237**	**190**	**138 427**
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	83 500	-	**83 500**	(291)	**83 209**
Amortization of revaluation reserve	-	-	(4 102)	4 102	-	**-**	-	**-**
Deferred tax charged directly to amortization of revaluation reserve	-	-	199	-	-	**199**	-	**199**
Other comprehensive income	-	-	-	-	10 181	**10 181**	(31)	**10 150**
Total comprehensive profit/(loss)	**-**	**-**	**(3 903)**	**87 602**	**10 181**	**93 880**	**(322)**	**93 558**
Contributions by and distributions to owners								
Distribution of dividends	-	-	-	(25 140)	-	**(25 140)**	-	**(25 140)**
30 September 2021 (unaudited)	**59**	**29 512**	**36 248**	**264 435**	**(123 277)**	**206 977**	**(132)**	**206 845**

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 2021
(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax from continuing operations		84 215	33 517
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	(90 742)	(64 204)
Disposal of revaluation of biological assets and agricultural produce in the cost of sales, net	8	41 852	36 699
Depreciation and amortization	13	18 136	15 519
Effect of lease of right-of-use assets	19	5 222	5 484
Interest expenses and other financial expenses	15	1 160	2 048
Foreign currency exchange loss/(gain), net	16	(3 084)	7 740
Loss/(gain) on disposal of property, plant and equipment	11 , 12	69	(158)
Effect of additional return	29	-	710
Deferred expenses on options		-	851
Write-offs of property, plant and equipment		73	78
Gain on recovery of assets previously written off	11	(98)	(199)
Interest income	15	(356)	(348)
Accruals for unused vacations		932	1 173
Write-offs of VAT	12	53	44
Shortages and losses due to impairment of inventories	12	10	70
Income from write-offs of accounts payable	11	(7)	(64)
Income from exchange of property certificates	11	-	(199)
Gain on disposal of inventories	11	(32)	26
Allowance for doubtful accounts receivable	12	20	4
Effect of modification of right-of-use assets	11	(3 512)	-
Cash flows from operating activities before changes in working capital		**53 911**	**38 791**
Changes in trade accounts receivable		(326)	(3 849)
Changes in prepayments and other current assets		(1 976)	356
Changes in inventories		32 493	39 745
Changes in current biological assets		(47 094)	(39 164)
Changes in trade accounts payable		14 846	17 256
Changes in other current liabilities and accrued expenses		(438)	(866)
Cash flows from operations		**51 416**	**52 269**
Interest paid on loans and borrowings		(1 055)	(1 951)
Interest paid on lease liabilities as to right-of-use assets		(649)	(779)
Income tax paid		(1 113)	(378)
Net cash flows from operating activities		**48 599**	**49 161**

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 2021
(in thousand USD, unless otherwise stated)

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(6 433)	(5 833)
Purchase of intangible assets		-	(34)
Proceeds from disposal of property, plant and equipment		568	1 233
Net cash flows from investing activities		**(5 865)**	**(4 634)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term and short-term borrowings		2 872	14 963
Repayment of long-term and short-term borrowings		(2 341)	(21 187)
Repayment of long-term and short-term lease liabilities as to right-of-use assets		(16 376)	(13 611)
Repayment of dividends		(25 140)	(7 040)
Net cash flows from financing activities		**(40 985)**	**(26 875)**
NET CASH FLOWS		**1 749**	**17 652**
Cash and cash equivalents as at the beginning of the period	27	17 990	5 182
Effect of translation into presentation currency		569	(2 976)
Cash and cash equivalents as at the end of the period	27	20 308	19 858

signed
Alex Lissitsa
Chief Executive Officer

signed
Dmytro Martyniuk
Chief Financial Officer

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(in thousand USD, unless otherwise stated)

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, potato production;
- dairy farming;
- storage and processing of grain and oilseeds crops.

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

Until December 2010 there was no the holding company of the Group.

In June 2009 in the course of the corporate reorganization Unigrain Holding Limited was established as a sub-holding company of the Group. Through the series of transactions Unigrain Holding Limited became the immediate parent of Burat-Agro, Ltd., Burat, Ltd., Chernihiv Industrial Milk Company, Ltd., PRJSC Mlibor, PRJSC Poltava Kombikormoviy Zavod and Zemelniy Kadastroviy Centr SA.

In December 2010 IMC S.A. was registered as a holding company of the Group through the ownership of 100% of the voting shares in the company Unigrain Holding Limited.

In June 2011 Unigrain Holding Limited acquired 100% of the voting shares in the company PAE Promin, PE Progress 2010, PAE Slavutich. In November 2011 companies PAE Slavutich and PE Progress 2010 were merged to Chernihiv Industrial Milk Company, Ltd and the company PAE Promin was merged to Burat-Agro, Ltd.

In August 2011 trading company Aristo Eurotrading was formed.

In December 2011 Unigrain Holding Limited acquired 100% of the voting shares in the company AF Kalynivska 2005, Ltd, AF Zhovtneva, Ltd, AF Shid-2005, Ltd, APP Virynske, Ltd, Pisky, Ltd., SE "Viry-Agro" and 80,61% of the voting shares in the company PRJSC "Viryvske HPP".

In March 2012 Unigrain Holding Limited acquired 100% of the voting shares in the company Ukragrosouz KSM, Ltd.

In June 2012 Unigrain Holding Limited acquired 100% of the voting shares in the company PAC Slobozhanschina Agro.

In November 2012 the Group was restructured and 6 companies were joined to PAC Slobozhanschina Agro: AF Kalynivska-2005 Ltd, AF Zhovtneva Ltd, AF Shid-2005 Ltd, AIE Vyrynske Ltd, Pisky Ltd, SE Vyry-Agro.

In December 2012 Unigrain Holding Limited acquired 100% of the voting shares in the company Bluerice Limited. The following companies became the part of the Group, as their owner is Bluerice Limited: Agroprogress Holding Ltd, Agroprogress PE, Bobrovitsky Hlebzavod Ltd, Plemzavod Noviy Trostyanets Ltd, PRJSC "Bobrovitske HPP", Losinovka-Agro Ltd, Parafiyivka-Progress Ltd, Nosovsky Saharny Zavod Ltd.

In November 2013 trading company Negoce Agricole S.A. was formed.

In December 2013 Losinovka-Agro Ltd was joined to Agroprogress PE.

During the year 2013 the Group acquired the voting shares in the company AgroKIM Ltd and on 30 December 2013 the acquisition was completed and 100% of the voting shares were owned by the Group.

In April 2014 Parafiyivka-Progress Ltd was joined to AgroKIM Ltd.

In May 2015 Plemzavod Noviy Trostyanets Ltd was joined to AgroKIM Ltd.

In May 2016 Ukragrosouz KSM Ltd was joined to Burat-Agro Ltd.

In October 2016 Zemelniy Kadastroviy Centr PE and Agroprogress Holding Ltd left the Group.

In December 2016 Bluerice Limited left the Group.

On 26 April 2017 IMC S.A. (formally Industrial Milk Company S.A., hereinafter the Company) informs that official name of the Company has been changed from Industrial Milk Company S.A. to IMC S.A.

In June 2019 trading company Aristo Eurotrading HK Limited was formed.

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.

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

Operating entity	Principal activity	Country of registration	Year established/ acquired	Cumulative ownership ratio, %	
				30 September 2021	30 September 2020
IMC S.A.	Holding company	Luxembourg	28.12.2010	100	100
Burat-Agro Ltd.	Agricultural and farming production	Ukraine	31.12.2007	100	100
Burat Ltd.	Grain elevator	Ukraine	31.12.2007	100	100
Chernihiv Industrial Milk Company Ltd.	Agricultural and farming production	Ukraine	31.12.2007	100	100
PrJSC Poltava Kombilormoviy Zavod	Granting of PPE into finance lease	Ukraine	31.12.2007	87,58	87,58
PrJSC Mlibor	Grain elevator	Ukraine	31.05.2008	74,41	74,08
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 "Vyryvske 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 and farming 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
Nosovsky Saharny Zavod Ltd	Storage facilities	Ukraine	28.12.2012	99,9	99,9
Negoce Agricole S.a r.l.	Trading company	Luxembourg	19.11.2013	100	100
AgroKIM Ltd.	Agricultural and farming production, grain elevator	Ukraine	30.12.2013	100	100
Aristo Eurotrading HK Limited	Trading company	Hong Kong	21.06.2019	100	100

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

The Group controls 120,3 thousand ha (120,0 thousand ha under processing of high quality arable land). As at 30 September 2021 the Group operates in three segments: crop farming, dairy farming, elevators and warehouses.

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

The Group's 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

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2. Basis of preparation of the Condensed consolidated interim 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 2020.

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.

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.

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.

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.

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

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 2021	Average for the nine months ended 30 September 2021	31 December 2020	30 September 2020	Average for the nine months ended 30 September 2020	31 December 2019
UAH/USD	26,576	27,48661	28,2746	28,2989	26,52609	23,6862
EUR/USD	1,20	1,17	1,23	1,17	1,12	1,12

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 Condensed consolidated interim 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 cost of an acquisition 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 cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Condensed consolidated interim 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

<u>Property, plant and equipment</u>

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.

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However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Decrease related to previous increase of the same asset is recognized against other reserves directly in equity.

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

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

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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 Condensed consolidated interim 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 Condensed consolidated interim 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 at fair value;
- Non-current biological assets of cattle-breeding at fair value;
- Current biological assets of plant-breeding measured at fair value;
- Current biological assets of cattle-breeding measured at fair value.

The Group assesses a biological asset at initial recognition and at each balance sheet date at fair value less estimated point-of-sale costs, 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 Condensed consolidated interim 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 Condensed consolidated interim 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 or 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.

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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 Condensed consolidated interim statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are regognised in the Group's Condensed consolidated interim 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. 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 different 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 receives and receivable is recognised in Condensed consolidated interim statement of comprehensive income.

Financial liabilities

All financial liabilities are measures 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 Condensed consolidated interim statement of comprehensive income.

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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 Condensed consolidated interim 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.

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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 Condensed consolidated interim 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 2020). As at 30 September 2021, 5 of the companies comprising the Group were elected to pay single tax 4th group (2020: 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 Condensed consolidated interim 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(in thousand USD, unless otherwise stated)

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 Condensed consolidated interim 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.

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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 at the point of transfer of all risks and rewards of ownership of the goods, normally when the goods are shipped. 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.

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 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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).

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 1Q2021.

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.

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. Fair value is determined based on market prices and a current market-determinated pre-tax rate as at the date of valuation.

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 current quoted prices in an active market. 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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.

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 Condensed consolidated interim 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.

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.

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 Condensed consolidated interim 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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.

5. New and amended standards and interpretations

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
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	1 January 2023 (Not yet endorsed by EU)
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 January 2023 (Not yet endorsed by EU)
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	1 January 2023 (Not yet endorsed by EU)
IFRS 17 Insurance Contracts	1 January 2023 (Not yet endorsed by EU)
Amendments to: IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020)	1 January 2022 (Not yet endorsed by EU)
Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 September 2021(issued on 31 March 2021)	1 April 2021 (Not yet endorsed by EU)
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	1 January 2021

The management do 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.

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(in thousand USD, unless otherwise stated)

6. Revenue

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Revenue from sales of finished products	a	110 213	113 055
Revenue from services rendered	b	218	786
		110 431	**113 841**

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 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Corn	83 112	77 126
Sunflower	2 891	16 615
Wheat	22 425	17 193
Milk	1 095	1 029
Soy beans	-	441
Cattle	164	278
Other	525	373
	110 213	**113 055**

b) Revenue from services rendered was as follows:

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Transport	71	236
Storage	30	365
Drying	2	-
Processing	36	75
Other	79	110
	218	**786**

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

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Export	105 473	94 657
Domestic	4 958	19 184
	110 431	**113 841**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(in thousand USD, unless otherwise stated)

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

- Sales of goods
  Revenue from sales of goods is recognised at the point of transfer of all risks and rewards of ownership of the goods, normally when the goods are shipped. 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.

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

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Current biological assets	23	80 964	50 552
Agricultural produce		9 642	13 595
Non-current biological assets	21	136	57
		90 742	**64 204**

8. Cost of sales

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Raw materials	a	(75 073)	(74 325)
Change in inventories and work-in-progress	b	11 685	(915)
Depreciation and amortization	13	(16 777)	(14 366)
Wages and salaries of operating personnel and related charges	14	(8 917)	(9 392)
Fuel and energy supply		(4 114)	(3 559)
Third parties' services		(1 871)	(1 949)
Rent		(911)	(875)
Repairs and maintenance		(535)	(798)
Taxes and other statutory charges		(766)	(350)
Other expenses		(95)	(97)
		(97 374)	**(106 626)**

a) Raw materials for the nine months ended 30 September 2021 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 41 852 thousand (USD 36 699 thousand for the nine months ended 30 September 2020).

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(in thousand USD, unless otherwise stated)

9. Administrative expenses

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Wages and salaries of administrative personnel and related charges	14	(6 455)	(7 072)
Depreciation and amortisation	13	(444)	(360)
Professional services		(312)	(225)
Third parties' services		(295)	(258)
Bank services		(272)	(218)
Repairs and maintenance		(109)	(148)
Transport expenses		(161)	(129)
Other expenses		(332)	(273)
		(8 380)	**(8 683)**

10. Selling and distribution expenses

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Delivery costs		(9 659)	(12 093)
Wages and salaries of sales personnel and related charges	14	(176)	(164)
Depreciation	13	(148)	(79)
Other expenses		(200)	(525)
		(10 183)	**(12 861)**

11. Other operating income

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Income from write-offs of accounts payable	7	64
Gain on recovery of assets previously written off	98	199
Gain on disposal of PPE	-	158
Gain on disposal of inventories	32	-
Effect of modification of right-of-use assets	3 512	-
Other income	162	412
	3 811	**833**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(in thousand USD, unless otherwise stated)

12. Other operating expenses

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Depreciation	13	(767)	(714)
Charity		(569)	(384)
Wages and salaries of non-operating personnel and related charges	14	(117)	(77)
Shortages and losses due to impairment of inventories		(10)	(70)
Write-offs of VAT		(53)	(44)
Allowance for doubtful accounts receivable	26	(20)	(4)
Loss on disposal of inventories		(69)	(26)
Other expenses		(250)	(196)
		(1 855)	**(1 515)**

13. Depreciation and amortisation

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Depreciation			
Cost of sales	8	(6 249)	(5 176)
Other operating expenses	9	(767)	(714)
Administrative expenses	10	(328)	(260)
Selling and distribution expenses	12	(148)	(79)
		(7 492)	**(6 229)**
Amortisation			
Cost of sales	8	(10 528)	(9 190)
Administrative expenses	10	(116)	(100)
		(10 644)	**(9 290)**
		(18 136)	**(15 519)**

14. Wages and salaries expenses

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Wages and salaries	(13 156)	(14 230)
Related charges	(2 509)	(2 475)
	(15 665)	**(16 705)**
The average number of employees, persons	1 888	1 979
Remuneration of management	1 050	1 746

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(in thousand USD, unless otherwise stated)

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

	Note	For the nine months ended 30 September 2021		For the nine months ended 30 September 2020	
		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	(8 917)	1 331	(9 392)	1 407
Administrative personnel	9	(6 455)	537	(7 072)	553
Sales personnel	10	(176)	18	(164)	17
Non-operating personnel	12	(117)	2	(77)	2
		(15 665)	**1 888**	**(16 705)**	**1 979**

15. Financial expenses, net

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Interest income on bank deposits	356	348
Interest expenses on loans and borrowings	(1 035)	(1 942)
Other expenses	(125)	(106)
	(804)	**(1 700)**

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

Net result of foreign currency exchange increase to USD 3,1 million of net gain in current period from USD 7,7 million of net loss in previous period. This increase reflected the revaluation of UAH in 3Q2021 in comparison with 3Q2020 – 6,4% of revaluation as at 30 September 2021 in comparison with 16,3% of devaluation as at 30 September 2020.

17. Income tax expenses

The corporate income tax rate for the nine months ended 30 September 2021 was: 18% in Ukraine, 12,5% in Cyprus, 24,94% in Luxemburg.

The components of income tax expenses were as follows:

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Current income tax	(1 038)	(350)
Deferred tax	32	5
	(1 006)	**(345)**
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	199	109

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(in thousand USD, unless otherwise stated)

18. Property, plant and equipment

	Land and buildings	Machinery	Motor vehicles	Other	Construction in progress	Total
INITIAL COST						
31 December 2019 (audited)	**62 305**	**44 929**	**26 809**	**312**	**93**	**134 448**
Additions	757	3 095	1 882	48	1	5 783
Disposals	(727)	(3 741)	(3 507)	(116)	(33)	(8 124)
Transfer	-	45	-	1	(46)	-
Effect from translation into presentation currency	(10 149)	(7 286)	(4 268)	(47)	(10)	(21 760)
30 September 2020 (unaudited)	**52 186**	**37 042**	**20 916**	**198**	**5**	**110 347**
31 December 2020 (audited)	**56 250**	**39 325**	**22 614**	**192**	**84**	**118 465**
Additions	952	2 887	1 620	128	632	6 219
Disposals	(895)	(1 235)	(3 639)	(11)	-	(5 780)
Transfer	73	5	-	-	(78)	-
Effect from translation into presentation currency	3 602	2 571	1 376	16	23	7 588
30 September 2021 (unaudited)	**59 982**	**43 553**	**21 971**	**325**	**661**	**126 492**
ACCUMULATED DEPRECIATION						
31 December 2019 (audited)	**(16 988)**	**(24 504)**	**(16 806)**	**(200)**	**-**	**(58 498)**
Depreciation for the period	(1 781)	(2 717)	(1 718)	(13)	-	(6 229)
Disposals	687	2 972	3 177	107	-	6 943
Effect from translation into presentation currency	2 838	3 976	2 648	27	-	9 489
30 September 2020 (unaudited)	**(15 244)**	**(20 273)**	**(12 699)**	**(79)**	**-**	**(48 295)**
31 December 2020 (audited)	**(17 724)**	**(20 793)**	**(13 992)**	**(75)**	**-**	**(52 584)**
Depreciation for the period	(1 791)	(3 679)	(1 998)	(24)	-	(7 492)
Disposals	733	1 114	3 214	10	-	5 071
Effect from translation into presentation currency	(1 171)	(1 418)	(852)	(6)	-	(3 447)
30 September 2021 (unaudited)	**(19 953)**	**(24 776)**	**(13 628)**	**(95)**	**-**	**(58 452)**
Net book value						
31 December 2019 (audited)	**45 317**	**20 425**	**10 003**	**112**	**93**	**75 950**
30 September 2020 (unaudited)	**36 942**	**16 769**	**8 217**	**119**	**5**	**62 052**
31 December 2020 (audited)	**38 526**	**18 532**	**8 622**	**117**	**84**	**65 881**
30 September 2021 (unaudited)	**40 029**	**18 777**	**8 343**	**230**	**661**	**68 040**

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).

As at 30 September 2021, 31 December 2020, 30 September 2020 and 31 December 2019 an impairment tests was conducted, according to the results of the tests impairment of PPE was not identified.

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19. Right-of-use assets

Amounts recognised in the consolidated statements of financial position:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Right-of-use assets			
Land	163 865	85 082	85 975
Office	384	34	57
Machinery	7 260	8 847	9 514
	171 509	**93 963**	**95 546**
Lease liabilities as to right-of-use assets			
Long-term	165 837	82 396	92 140
Current portion	5 135	16 765	6 494
	170 972	**99 161**	**98 634**

Amounts recognised in the consolidated statements of comprehensive income:

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
Amortisation of right-of-use assets			
Land	8	(8 172)	(7 020)
Office	9	(111)	(92)
Machinery	8	(2 082)	(1 837)
		(10 365)	**(8 949)**
Effect of lease of right-of-use assets		(5 222)	(5 484)

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

	Land	Office	Machinery	Total
Net book value as at 31 December 2019 (audited)	**94 775**	**172**	**6 256**	**101 203**
Cost as at 31 December 2019 (audited)	104 042	309	7 150	111 501
Accumulated amortisation as at 31 December 2019 (audited)	(9 267)	(137)	(894)	(10 298)
Additions	18 420	-	6 400	24 820
Amortisation	(7 020)	(92)	(1 837)	(8 949)
Disposals	(4 307)	-	-	(4 307)
Cost disposals	(4 999)	-	-	(4 999)
Accumulated amortisation disposals	692	-	-	692
Effect from translation into presentation currency	(15 893)	(22)	(1 306)	(17 221)
Cost as at 30 September 2020 (unaudited)	99 663	258	11 984	111 905
Accumulated amortisation as at 30 September 2020 (unaudited)	(13 688)	(201)	(2 470)	(16 359)
Net book value as at 30 September 2020 (unaudited)	**85 975**	**57**	**9 514**	**95 546**

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	Land	Office	Machinery	Total
Net book value as at 31 December 2020 (audited)	**116 332**	**516**	**15 141**	**131 989**
Cost as at 31 December 2020 (audited)	100 707	275	11 994	112 976
Accumulated amortisation as at 31 December 2020 (audited)	(15 625)	(241)	(3 147)	(19 013)
Additions	128 087	448	-	128 535
Amortisation	(8 172)	(111)	(2 082)	(10 365)
Disposals	(48 999)	-	-	(48 999)
Cost disposals	(60 107)	(283)	-	(60 390)
Accumulated amortisation disposals	11 108	283	-	11 391
Effect from translation into presentation currency	7 868	14	494	8 376
Cost as at 30 September 2021 (unaudited)	177 452	463	12 761	190 676
Accumulated amortisation as at 30 September 2021 (unaudited)	(13 587)	(79)	(5 501)	(19 167)
Net book value as at 30 September 2021 (unaudited)	**163 865**	**384**	**7 260**	**171 509**

20. Intangible assets

	Computer software	Property certificates	Land lease rights	Total
INITIAL COST				
31 December 2019 (audited)	**60**	**259**	**10 885**	**11 204**
Additions	33	-	-	33
Effect from translation into presentation currency	(12)	(42)	(1 774)	(1 828)
30 September 2020 (unaudited)	**81**	**217**	**9 111**	**9 409**
31 December 2020 (audited)	**81**	**217**	**9 119**	**9 417**
Effect from translation into presentation currency	5	14	580	599
30 September 2021 (unaudited)	**86**	**231**	**9 699**	**10 016**
ACCUMULATED DEPRECIATION				
31 December 2019 (audited)	**(18)**	**(3)**	**(9 249)**	**(9 270)**
Amortisation for the period	(7)	(1)	(333)	(341)
Effect from translation into presentation currency	-	1	1 532	1 533
30 September 2020 (unaudited)	**(25)**	**(3)**	**(8 050)**	**(8 078)**
31 December 2020 (audited)	**(28)**	**(3)**	**(8 156)**	**(8 187)**
Amortisation for the period	(5)	-	(274)	(279)
Effect from translation into presentation currency	(1)	-	(533)	(534)
30 September 2021 (unaudited)	**(34)**	**(3)**	**(8 963)**	**(9 000)**
NET BOOK VALUE				
31 December 2019 (audited)	**42**	**256**	**1 636**	**1 934**
30 September 2020 (unaudited)	**56**	**214**	**1 061**	**1 331**
31 December 2020 (audited)	**53**	**214**	**963**	**1 230**
30 September 2021 (unaudited)	**52**	**228**	**736**	**1 016**

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.

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21. Non-current biological assets

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Animal-breeding			
Cattle	2 323	1 983	2 081
Plant-breeding			
Perennial grasses	23	44	33
Total non-current biological assets	**2 346**	**2 027**	**2 114**

As at the reporting dates non-current biological assets of animal-breeding were presented as follows:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Cattle			
Cattle, units	605	654	607
Live weight, kg	261 781	274 620	251 833
Book value	**2 323**	**1 983**	**2 081**

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

	Cattle
31 December 2019 (audited)	**2 528**
Transfer (from (to) current biological assets)	(95)
Change in fair value	57
Effect from translation into presentation currency	(409)
30 September 2020 (unaudited)	**2 081**
31 December 2020 (audited)	**1 983**
Transfer (from (to) current biological assets)	69
Change in fair value	136
Effect from translation into presentation currency	135
30 September 2021 (unaudited)	**2 323**

As at the reporting dates non-current biological assets of plant-breeding were presented as follows:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Perennial grasses			
Area, ha	305	305	132
Book value	**23**	**44**	**33**

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

	Perennial grasses
31 December 2019 (audited)	**62**
Capitalized expenses	4
Effect from translation into presentation currency	(33)
30 September 2020 (unaudited)	**33**
31 December 2020 (audited)	**44**
Capitalized expenses	-
Effect from translation into presentation currency	(21)
30 September 2021 (unaudited)	**23**

22. Inventories

	Note	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Agricultural produce	a	10 160	68 177	12 093
Work-in-progress	b	2 556	9 185	2 230
Agricultural materials		6 330	3 393	3 082
Spare parts		485	429	457
Fuel		1 017	431	615
Raw materials		361	263	313
Other inventories		117	100	104
		21 026	**81 978**	**18 894**

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

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Corn	798	67 834	2 918
Wheat	3 886	90	4 392
Sunflower	5 229	63	4 621
Other	247	190	162
	10 160	**68 177**	**12 093**

The fair value of agricultural produce was estimated based on market price as at date of harvest and is within level 3 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).

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23. Current biological assets

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Animal-breeding			
Cattle	1 378	1 075	1 377
Other	2	1	1
	1 380	**1 076**	**1 378**
Plant-breeding			
Wheat	353	10 193	1 365
Corn	105 375	-	82 507
Sunflower	36 673	-	9 149
Grasses	-	-	10
	142 401	**10 193**	**93 031**
Total current biological assets	**143 781**	**11 269**	**94 409**

As at the reporting dates current biological assets of animal-breeding were presented as follows:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Cattle			
Cattle, units	376	371	368
Live weight, kg	113 774	108 805	121 386
Book value	**1 378**	**1 075**	**1 377**
Other			
Number of animals, units	3	3	3
Live weight, kg	1 241	1 241	1 241
Book value	**2**	**1**	**1**
Total book value	**1 380**	**1 076**	**1 378**

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

	Cattle	Other	Total
31 December 2019 (audited)	**1 275**	**1**	**1 276**
Capitalized expenses	309	-	**309**
Transfer (from (to) non-current biological assets)	95	-	**95**
Sale	(906)	-	**(906)**
Slaughter	(19)	-	**(19)**
Change in fair value	852	-	**852**
Effect from translation into presentation currency	(229)	-	**(229)**
30 September 2020 (unaudited)	**1 377**	**1**	**1 378**
31 December 2020 (audited)	**1 075**	**1**	**1 076**
Capitalized expenses	265	1	**266**
Transfer (from (to) non-current biological assets)	(69)	-	**(69)**
Sale	(608)	-	**(608)**
Slaughter	-	-	**(0)**
Change in fair value	639	-	**639**
Effect from translation into presentation currency	76	-	**76**
30 September 2021 (unaudited)	**1 378**	**2**	**1 380**

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As at the reporting dates current biological assets of plant-breeding were presented as follows:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Wheat			
Area, ha	3 419	21 441	14 327
Book value	**353**	**10 193**	**1 365**
Corn			
Area, ha	68 062	-	66 592
Book value	**105 375**	**-**	**82 507**
Sunflower			
Area, ha	22 267	-	8 490
Book value	**36 673**	**-**	**9 149**
Grasses			
Area, ha	-	-	132
Book value	**-**	**-**	**10**
Total book value	**142 401**	**10 193**	**93 031**

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

	Wheat	Corn	Sunflower	Grasses	Total
31 December 2019 (audited)	**11 947**	**-**	**-**	**-**	**11 947**
Capitalized expenses (harvest 2020)	9 718	46 559	15 594	177	**72 048**
Revaluation at fair value at the date of harvest (harvest 2020)	1 862	716	11 018	-	**13 596**
Harvesting (harvest 2020)	(20 730)	(3 029)	(22 801)	(167)	**(46 727)**
Change in fair value (harvest 2020)	-	43 749	5 951	-	**49 700**
Effect from translation into presentation currency	(1 432)	(5 488)	(613)	-	**(7 533)**
30 September 2020 (unaudited)	**1 365**	**82 507**	**9 149**	**10**	**93 031**
31 December 2020 (audited)	**10 193**	**-**	**-**		**10 193**
Capitalized expenses (harvest 2021)	9 808	44 685	16 072	206	**70 771**
Revaluation at fair value at the date of harvest (harvest 2021)	4 228	454	4 960	-	**9 642**
Harvesting (harvest 2021)	(24 170)	(740)	(8 413)	(206)	**(33 529)**
Change in fair value (harvest 2021)	-	57 461	22 863	-	**80 324**
Effect from translation into presentation currency	294	3 515	1 191	-	**5 000**
30 September 2021 (unaudited)	**353**	**105 375**	**36 673**		**142 401**

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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Biological assets of the Group are measured at fair value within Level 3 of the fair value hierarchy. Discount rate – 17.15%.

Description	Fair value as at 30 September 2021	Valuation technique	Unobservable inputs	Range of unobservable inputs
Cattle	3 701	Discounted cash flows	Milk yield - kg per cow Milk price Discount rate	7 600 per year USD 0,38 per liter 17,15%
Crops in fields - Corn	105 375	Discounted cash flows	Crops yield - tonnes per hectare Crops price Discount rate	8,6 USD 203 per ton 17,15%
Crops in fields - Sunflower	36 673	Discounted cash flows	Crops yield - tonnes per hectare Crops price Discount rate	3,3 USD 514 per ton 17,15%

There were no transfers between any levels during the period.

24. Trade accounts receivable, net

	Note	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Trade accounts receivable		584	213	4 211
Allowances for accounts receivable	26	(11)	(11)	(10)
		573	**202**	**4 201**

25. Prepayments and other current assets, net

	Note	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Prepayments and other non-financial assets:				
VAT for reimbursement		6 612	2 558	3 617
Advances to suppliers		738	2 298	1 360
Allowances for advances to suppliers	26	(15)	(15)	(1)
		7 335	**4 841**	**4 976**
Other financial assets:				
Non-bank accommodations interest free		452	301	307
Other accounts receivable		343	284	221
Allowances for other accounts receivable	26	(39)	(37)	(36)
		756	**548**	**492**
		8 091	**5 389**	**5 468**

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26. Changes in allowances made

	Note	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Allowances for trade accounts receivable	24	(11)	(11)	(10)
Allowances for advances to suppliers	25	(15)	(15)	(1)
Allowances for other accounts receivable	25	(39)	(37)	(36)
		(65)	**(63)**	**(47)**

The movements of the allowances were as follows:

	Note	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
		Unaudited	Unaudited
As at the beginning of the period		**(63)**	**(58)**
Accrual	12	(20)	(4)
Use of allowances		21	5
Reverse of allowances		1	-
Effect from translation into presentation currency		(4)	10
As at the end of the period		**(65)**	**(47)**

27. Cash and cash equivalents

	Currency	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Cash in bank and hand	USD	7 378	2 614	3 288
Cash in bank and hand	UAH	12 700	15 065	16 205
Cash in bank and hand	EUR	214	302	358
Cash in bank and hand	PLN	16	9	7
		20 308	**17 990**	**19 858**

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 2021 is 33 178 000 (as at 31 December 2020 and 30 September 2020 – 33 178 000). All shares have equal voting rights. Par value of one share is USD 0,0018 (EUR 0,0018).

	30 September 2021		31 December 2020		30 September 2020	
	Unaudited		Audited		Unaudited	
	%	**Amount**	%	**Amount**	%	**Amount**
AGROVALLEY LIMITED	80	47	80	47	74	43
Other shareholders (each one less than 5% of the share capital)	20	12	20	12	26	16
	100	**59**	**100**	**59**	**100**	**59**

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

Number of authorized, issued and fully paid shares	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
As at the beginning of the period	**33 178 000**	**33 178 000**
Changes for the period	-	-
As at the end of the period	**33 178 000**	**33 178 000**

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 and share premium in amount of USD 24 387 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 and share premium in amount of USD 5 125 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 was initially recognized in equity;
- as at 31 December 2010 USD 4 326 thousand was additionally recognized as increase in revaluation reserve;
- as at 31 December 2015 USD 40 390 thousand was additionally recognized as increase in revaluation reserve;
- as at 31 December 2017 USD 22 659 thousand was additionally recognized as increase in revaluation reserve;
- as at 31 December 2020 USD 5 265 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 with a dividend payout ratio up to 10% of Consolidated Net Profit of the Company and its Subsidiaries 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).

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.

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Management Incentive Plan

The Extraordinary shareholders meeting approved on 4 July 2017 a management incentive plan providing to Management Team Members and Eligible Employees as defined in the Management Incentive Plan an option to purchase in aggregate up to 1 878 000 new shares of IMC S.A., such number being equal to 6% of the issued stock of IMC S.A. as at the adoption date of such plan, at the price decided at the discretion of the Board of Directors of the Company which shall be equal to at least one euro cent EUR 0.01.

Performance period of the Management Incentive Plan is 3 years, starting from January 1, 2017 and ending on December 31, 2019. During the Performance Period, the Board of Directors of the Company may discretionarily decide when the Shares shall be issued by the Company to the Participants at the Subscription Price.

As a part of this incentive plan, 1 878 000 new ordinary shares were issued with subscription price USD 0.00115. As at 31 December 2017 the purchase option was fully exercised, market share price was USD 2.73.

Options granted under the Plan are the following:

	For the year ended 31 December 2017	
	Exercise price per share option	Number of options
01 January	-	-
Granted during the period	USD 0.00115	1 878 000
Exercised during the period	USD 2.73	(1 878 000)
31 December	**-**	**-**

29. Share purchase warrant

According to the Warrant Agreement entered into between the Group and International Finance Corporation (IFC) as at 20 December 2013, IFC had the right to purchase up to 3 098 700 shares of IMC S.A. (representing equivalent of 9,90% of issued share capital) for a total amount up to USD 20 000 thousand. The warrant was exercisable at any time up to 19 December 2018.

But according to the IFC Loan agreement dated 19 December 2013 if all of the warrants have not been exercised by 19 December 2018, and if only some of the warrants have been issued, the portion of the Additional return which shall be payable shall be calculated by multiplying USD 21 000 thousand by a fraction the numerator of which is equal to the number of warrant shares not subscribed for pursuant to IFC loan agreement during the exercise period and the denominator of which is equal to the total number of warrant shares. This obligation to pay the additional return is an unconditional and independent debt obligation according to the IFC loan agreement.

As at 30 June 2016 According to the Amendment to Loan agreement between IMC S.A. and International Financial Corporation the Additional Return had to be paid by IMC S.A. to International Financial Corporation. Amount of Additional Return had to be paid in a lump sum payment not later than 19 December 2018 in an amount USD 21 000 thousand or in two instalments as follows: USD 11 000 thousand on 19 December 2018 and USD 11 800 thousand on 19 December 2019. All the warrants according to the Warrant agreement dated 20 December 2013 were cancelled on 22 December 2016.

In its treatment until 2015 year-end, the Group determined fair value of the share purchase warrant by applying Black-Scholes model to determine its value as an option to purchase shares, embedded in the loan with the non-resident bank IFC of USD 30 000 thousand. The Group also treated this value separately from the host instrument, recognizing a separate loss in the amount of initial fair value of the option, and thereafter recognizing changes in that fair value at a fair value through profit and loss. At the same time, the Group considered the obligation to pay the additional return of USD 21 000 thousand, included in the Warrant Agreement, as a contingent liability since it expected the IFC to exercise its warrants to buy shares. This judgment represented an error. In its corrected treatment at year end 2016, the Group considers the additional return of USD 21 000 thousand as an obligation associated with the IFC loan. Accordingly, it has included it as an expected cash flow in calculation of the effective interest rate implicit in the loan, used in determining the amortized value of the loan instrument regarded as a whole. The effective interest rate thus determined is 17,46%.

In September 2017 new terms of payment of additional return were agreed. In accordance with new terms the amount of additional return is USD 19 742 708 and should be paid in 5 portions starting September 2017 till June 2020. The amortized value of the loan instrument was regarded with effective interest rate of 20,76% (in 2019 – 20,76%).

As at 31 December 2020 the IFC loan and related additional return are fully repaid.

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30. Deferred tax assets and liabilities

	Property, plant and equipment
31 December 2019 (audited)	**(3 218)**
Considering profit (loss)	5
Considering equity	109
Effect of foreign currency translation	518
30 September 2020 (unaudited)	**(2 586)**
31 December 2020 (audited)	**(3 177)**
Considering profit (loss)	32
Considering equity	199
Effect of foreign currency translation	(195)
30 September 2021 (unaudited)	**(3 141)**

31. Long-term loans and borrowings

	Currency	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Secured				
Long-term bank loans	USD	7 895	7 230	14 520
Current portion of long-term bank loans	USD	(2 247)	(3 023)	(9 185)
Total long-term loans and borrowings		**5 648**	**4 207**	**5 335**

Essential terms of credit contracts:

Creditor	Year of maturity	Currency	Nominal interest rate	30 September 2021 Unaudited Long-term liabilities	30 September 2021 Unaudited Including current portion
Ukrainian bank	2023	USD	5,00%	813	407
Ukrainian bank	2024	USD	4,90%	1 111	392
Ukrainian bank	2026	USD	4,98%	3 100	833
Ukrainian bank	2026	USD	3,70%	2 871	615
				7 895	**2 247**

Creditor	Year of maturity	Currency	Nominal interest rate	31 December 2020 Audited Long-term liabilities	31 December 2020 Audited Including current portion
Ukrainian bank	2021	USD	6,00%	264	264
Ukrainian bank	2021	USD	4,75%	1 000	1 000
Ukrainian bank	2023	USD	5,00%	1 162	552
Ukrainian bank	2024	USD	4,90%	1 307	392
Ukrainian bank	2026	USD	4,98%	3 497	815
				7 230	**3 023**

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Creditor	Year of maturity	Currency	Nominal interest rate	30 September 2020 Unaudited Long-term liabilities	30 September 2020 Unaudited Including current portion
Non-resident bank*	2020	USD	6M Libor+8,00%	5 837	5 837
Ukrainian bank	2021	USD	6,00%	739	528
Ukrainian bank	2021	USD	4,75%	1 480	1 000
Ukrainian bank	2023	USD	5,00%	1 512	698
Ukrainian bank	2024	USD	4,90%	1 502	392
Ukrainian bank	2026	USD	4,98%	3 450	730
				14 520	**9 185**

***** Loan from non-resident bank consists of:

- Basic loan amount of USD 30 000 thousand with 6M Libor+8,00% interest rate;
- Additional return liabilities in the amount of USD 19 743 thousand payable in instalments till June 2020, interest free, discounted by 20,76%.

The Group has committed to comply with loans covenants.
As at 30 September 2021, 31 December 2020 and 30 September 2020 the Group was in compliance with all loans covenants.

Long-term loans outstanding were repayable as follows:

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Within one year	2 247	3 023	9 185
In the second to fifth year inclusive	5 648	4 207	5 335
	7 895	**7 230**	**14 520**

32. Short-term loans and borrowings

	Currency	30 September 2021	31 December 2020	30 September 2020
		Unaudited	Audited	Unaudited
Secured				
Short-term bank loans	USD	25 866	26 000	27 000

Essential terms of credit contracts:

Creditor	Currency	Nominal interest rate	30 September 2021 Unaudited
Ukrainian bank	USD	3,75%	10 000
Ukrainian bank	USD	3,95%	5 000
Ukrainian bank	USD	3,95%	5 000
Ukrainian bank	USD	2,90%	3 966
Ukrainian bank	USD	2,90%	1 900
			25 866

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Creditor	Currency	Nominal interest rate	31 December 2020 Audited
Ukrainian bank	USD	3,85%	10 000
Ukrainian bank	USD	3,90%	5 000
Ukrainian bank	USD	3,90%	5 000
Ukrainian bank	USD	3,80%	4 100
Ukrainian bank	USD	3,80%	1 900
			26 000

Creditor	Currency	Nominal interest rate	30 September 2020 Unaudited
Ukrainian bank	USD	4,50%	10 000
Ukrainian bank	USD	4,25%	5 100
Ukrainian bank	USD	4,50%	5 000
Ukrainian bank	USD	4,50%	5 000
Ukrainian bank	USD	4,25%	1 900
			27 000

33. Other current liabilities and accrued expenses

	30 September 2021	31 December 2020	30 September 2020
	Unaudited	Audited	Unaudited
Other liabilities:			
Advances from clients	3 322	2 582	4 989
Other accounts payable:			
Wages, salaries and related charges payable	1 247	1 029	1 286
Accruals for unused vacations	981	943	915
Interest payable on bank loans	85	91	125
Accounts payable for non-current tangible assets	122	271	96
Accruals for audit services	20	101	-
Taxes payable	70	78	162
Other accounts payable	41	21	28
	2 566	**2 534**	**2 612**
Total other current liabilities and accrued expenses	**5 888**	**5 116**	**7 601**

34. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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Remuneration of key management personnel was as follows:

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
	Unaudited	Unaudited
Wages and salaries	704	1 305
Directors fees	314	414
Related charges	32	27
	1 050	**1 746**
The average number of employees, persons	6	6

35. 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:

- Farming division - a segment, which deals with cultivation and sale of such basic agricultural crops as corn and wheat;
- Livestock breeding - 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;
- Storage and processing - a segment which deals with storage and processing of agricultural produce.

Information on business segments for the nine months ended 30 September 2021 was as follows:

	Crop farming	Dairy farming	Elevators and warehouses	Unallocated	Total
Revenue	204 029	1 259	1 991	-	**207 279**
Intra-group elimination	(95 076)	-	(1 772)	-	**(96 848)**
Revenue from external buyers	108 953	1 259	219	-	**110 431**
Gain from changes in fair value of biological assets and agricultural produce, net	89 967	775	-	-	**90 742**
Cost of sales	(95 395)	(861)	(1 118)	-	**(97 374)**
Gross income	**103 525**	**1 173**	**(899)**	**-**	103 799
Administrative expenses	-	-	-	(8 380)	**(8 380)**
Selling and distribution expenses	-	-	-	(10 183)	**(10 183)**
Other operating income	-	-	-	3 811	**3 811**
Other operating expenses	-	-	-	(1 855)	**(1 855)**
Write-offs of property, plant and equipment	-	-	-	(73)	**(73)**
Operating income of a segment	**103 525**	**1 173**	**(899)**	**(16 680)**	**87 119**
Financial expenses, net	-	-	-	(804)	**(804)**
Effect of lease of right-of-use assets	-	-	-	(5 222)	**(5 222)**
Foreign currency exchange (loss)/gain, net	-	-	-	3 122	**3 122**
Profit before tax	**103 525**	**1 173**	**(899)**	**(19 584)**	**84 215**
Income tax expenses, net	-	-	-	(1 006)	**(1 006)**
Net profit	**103 525**	**1 173**	**(899)**	**(20 590)**	**83 209**
Other segment information:					
Depreciation and amortisation	15 648	105	2 383	-	**18 136**
Additions to non-current assets:					
Property, plant and equipment	4 044	-	2 175	-	**6 219**
Right-of-use assets	128 535	-	-	-	**128 535**
Intangible assets	-	-	-	-	**-**

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Information on business segments for the nine months ended 30 September 2020 was as follows:

	Crop farming	Dairy farming	Elevators and warehouses	Unallocated	Total
Revenue	193 562	1 307	2 656	-	**197 525**
Intra-group elimination	(81 814)	-	(1 870)	-	**(83 684)**
Revenue from external buyers	111 748	1 307	786	-	**113 841**
Gain from changes in fair value of biological assets and agricultural produce, net	63 296	908	-	-	**64 204**
Cost of sales	(102 693)	(1 092)	(2 841)	-	**(106 626)**
Gross income	**72 351**	**1 123**	**(2 055)**	**-**	**71 419**
Administrative expenses	-	-	-	(8 683)	**(8 683)**
Selling and distribution expenses	-	-	-	(12 861)	**(12 861)**
Other operating income	-	-	-	833	**833**
Other operating expenses	-	-	-	(1 515)	**(1 515)**
Write-offs of property, plant and equipment	-	-	-	(78)	**(78)**
Operating income of a segment	**72 351**	**1 123**	**(2 055)**	**(22 304)**	**49 115**
Financial expenses, net	-	-	-	(1 700)	**(1 700)**
Effect of lease of right-of-use assets	-	-	-	(5 484)	**(5 484)**
Effect of additional return	-	-	-	(710)	**(710)**
Foreign currency exchange (loss)/gain, net	-	-	-	(7 704)	**(7 704)**
Profit before tax	**72 351**	**1 123**	**(2 055)**	**(37 902)**	**33 517**
Income tax expenses, net	-	-	-	(345)	**(345)**
Net profit	**72 351**	**1 123**	**(2 055)**	**(38 247)**	**33 172**
Other segment information:					
Depreciation and amortisation	13 866	181	1 472	-	**15 519**
Additions to non-current assets:					
Property, plant and equipment	4 555	-	1 228	-	**5 783**
Intangible assets	33	-	-	-	**33**
Right-of-use assets	24 820	-	-	-	**24 820**

36. Subsequent events

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

Loans and borrowings and interests are repaid in the amount of USD 2 587 thousand.

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