



05 May 2022, Limassol, Cyprus

MHP SE

Financial Results for the Fourth Quarter and Twelve Months Ended 31 December 2021

MHP SE (LSE:MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, today announces its results for the fourth quarter and twelve months ended 31 December 2021. Hereinafter, MHP SE and its subsidiaries are referred to as “MHP”, “the Company” or “the Group”.

Results of Perutnina Ptuj (PP) are included in the Group’s results of activities and are shown separately (European Operating Segment).

Starting from the publication of its financial results for Q1 2021, MHP shows relevant comparisons of results not only year-on-year, but also to the preceding period. Accordingly, Q4 2021 results in Poultry, Meat Processing and European Operating segments are compared not only with Q4 2020, but also with Q3 2021. For Grain Growing Operations, where results are driven by seasonality effects, this comparison is not relevant.

MHP today also publishes its full version of Annual Report for 2021 (the period ended 31 December 2021). You can find the document following the link: <https://mhp.com.ua/en/mhp-se/annual-reports>

OPERATIONAL HIGHLIGHTS

Q4 2021

- Poultry production volumes for MHP excluding PP reached 202,657* tonnes, increased by 7% year-on-year (Q4 2020: 189,687 tonnes). Poultry production volumes of the European Operating Segment (PP) increased by 14% to 28,043 tonnes (Q4 2020: 24,583 tonnes).
- The average chicken meat price increased by 30% year-on-year and constituted to USD 1.77 per kg (Q4 2020: USD 1.36 per kg) (excluding VAT). The average price of chicken meat produced by PP during Q4 2020 increased compared to Q4 2020 from EUR 2.48 to EUR 2.70 per kg.
- Chicken meat exports from Ukraine totaled 104,841 tonnes (excluding PP’s 8,570 tonnes) increased by 11% for MHP (Q4 2020: 94,709 tonnes) and PP’s exports more than doubled (Q4 2020: 4,083 tonnes).

12M 2021

- Poultry production volumes for MHP increased by 3% to 754,387* tonnes (12M 2019: 731,279 tonnes). Poultry production volumes of the European Operating Segment increased 10% to 111,973 tonnes (2020: 102,157 tonnes).
- The average chicken meat price increased by 25% year-on-year to USD 1.67 per kg (12M 2020: USD 1.34 per kg) (excluding VAT). The average price of chicken meat produced by PP during 2021 was EUR 2.59 per kg.
- Chicken meat exports from Ukraine increased by 8% year-on-year to 402,388 tonnes (12M 2020: 373,734 tonnes) while PP’s exports were up 97% to 33,446 tonnes (12M 2020: 17,001 tonnes).

*- production volume of chicken meat only without by-products

FINANCIAL HIGHLIGHTS

Q4 2021

- Revenue of US\$ 725 million, an increase of 46% year-on-year (Q4 2020: US\$ 497 million).
- Export revenue amounted to US\$ 422 million, 58% of total revenue (Q4 2020: US\$ 316 million, 64% of total revenue).
- Operating profit increased to US\$ 90 million from US\$ 7 million; operating margin increased from 1% to 12%.
- Adjusted EBITDA margin (net of IFRS 16) increased to 18%; adjusted EBITDA (net of IFRS 16) of US\$ 129 million was up 239% year-on-year (Q4 2020: US\$ 38 million).
- Net gain for the period was US\$ 16 million (Q4 2020: US\$ 24 million of loss).

12M 2021

- Revenue of US\$ 2,372 million, an increase of 24% year-on-year (12M 2020: US\$ 1,911 million) mainly driven by an increase in the sale of meat.
- Export revenue amounted to US\$ 1,265 million, 53% of total revenue (12M 2020: US\$ 1,016 million, 53% of total revenue), up 25% year-on-year.
- Operating profit of US\$ 506 million, up 152% year-on-year from US\$ 201 million: operating margin raised from 11% to 21%.
- Adjusted EBITDA margin (net of IFRS 16) grown to 27%; adjusted EBITDA (net of IFRS 16) increased to US\$ 648 million (12M 2020: US\$ 340 million) driven mainly by strong result grain growing segment.
- Net profit for the year was US\$ 393 million, compared to a net loss of US\$ 133 million for 12M 2020. Net profit before foreign exchange differences was US\$ 353 million, 397% higher than US\$ 71 million for 12M 2020.

FINANCIAL OVERVIEW

<i>(in mln. US\$, unless indicated otherwise)</i>	Q4 2021	Q4 2020	% change¹⁾	12M 2021	12M 2020	% change¹⁾
Revenue	725	497	46%	2,372	1,911	24%
IAS 41 standard gains/(losses)	9	2	350%	185	31	497%
Gross profit	172	76	126%	745	398	87%
Gross profit margin	24%	15%	9 pps	31%	21%	10 pps
Operating profit/(loss)	90	7	1186%	506	201	152%
Operating profit margin	12%	1%	11 pps	21%	11%	10 pps
Adjusted EBITDA	157	63	149%	709	395	79%
Adjusted EBITDA margin	22%	13%	9 pps	30%	21%	9 pps
Adjusted EBITDA (net of IFRS 16)	129	38	239%	648	340	91%
Adjusted EBITDA margin (net of IFRS 16)	18%	8%	10 pps	27%	18%	9 pps
Net profit/(loss) before foreign exchange differences	51	(10)	610%	353	71	397%
Net profit/(loss) margin before forex	7%	-2%	9 pps	15%	4%	11 pps
Foreign exchange gain/(loss)	(35)	(13)	169%	40	(204)	120%
Net profit (loss)	16	(24)	167%	393	-133	395%
Net profit (loss) margin	2%	-5%	7 pps	17%	-7%	24 pps

¹⁾ pps – percentage points

Average official FX rate for Q4: UAH/US\$ 26.6806 in 2021 and UAH/US\$ 28.2678 in 2020.

Average official FX rate for 12 months: UAH/US\$ 27.2835 in 2021 and UAH/US\$ 26.9639 in 2020.

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

The dial-in details are:

Time:	14.00 London / 16.00 Kyiv / 09.00 New York
Title:	Financial results for Q4 and 12M 2021
International/UK Dial in:	+44 203 984 9844
Ukraine:	+380 89 324 0624
USA free call:	+1 718 866 4614
Participant PIN code	645982

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

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

For enquiries, please contact:

Anastasia Sobotiuk (Kyiv)

+38 641 30 72 65

a.sobotyuk@mhp.com.ua

Segment Performance

Poultry and related operations segment

	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Poultry								
Sales volume, third parties tonnes	180,028	175,135	3%	185,389	-3%	704,010	699,926	1%
<i>Domestic sales volume, third parties tonnes</i>	<i>70,767</i>	<i>79,551</i>	<i>-11%</i>	<i>106,231</i>	<i>-33%</i>	<i>288,831</i>	<i>324,285</i>	<i>-11%</i>
<i>Export sales volume, third parties tonnes</i>	<i>104,841</i>	<i>94,709</i>	<i>11%</i>	<i>74,738</i>	<i>40%</i>	<i>402,388</i>	<i>373,734</i>	<i>8%</i>
Price per 1 kg net of VAT, USD	1.77	1.36	30%	1.79	-1%	1.67	1.34	25%
Average price per 1 kg net of VAT, UAH (Ukraine)	46.76	38.06	23%	48.47	-4%	45.37	34.54	31%
Average price per 1 kg net of VAT, USD (Ukraine)	1.75	1.35	30%	1.8	-3%	1.66	1.28	30%
Average price per 1 kg net of VAT, US\$ (export)	1.77	1.37	29%	1.75	1%	1.67	1.40	19%
Culinary products sales, tonnes	4,419	877	404%	4,420	0%	12,791	1,909	570%
Sunflower oil								
Sales volume, third parties tonnes	79,480	82,590	-4%	36,620	117%	207,240	330,823	-37%
Soybeans oil								
Sales volume, third parties tonnes	9,622	7,783	24%	12,571	-23%	45,209	40,904	11%

Chicken meat

The aggregate volume of chicken meat sold to third parties remained relatively stable in Q4 2021 and during 12M 2021.

Through 12M 2021 the average export chicken meat price increased by 19% to USD 1.67 compared to 12M 2020 mainly driven by strong prices on breast and fillet in Europe and quarters and small chicken in the MENA region.

Average poultry price on the domestic market increased by 30% year-on-year mainly driven by a substantial poultry production cost increase since Q4 2020 and substantial utilities (gas mainly) price increase since the end of Q3 2021 as well as strong and upward price trends for all proteins during the period in the country. Additional effect of price increase was due to low poultry price through 2020 as a result of the COVID-19 impact.

Vegetable oil

During 12M 2021 MHP's sales of sunflower oil have decreased by 37% compared to 12M 2020 to 207,240 tonnes, mainly driven by reduced production of oil as a result of a decreased share of sunflower cake in fodder (due to a change in recipe).

Sales of soybeans oil have increased by 11% during 12M 2021 to 45,209 tonnes, mainly as a result of an increased share of soya cake in the fodder recipe (in partial substitution for sunflower cake), which also resulted in decreased sales of soybean cake to third parties.

Poultry and Related Operations segment - financial results and trends

<i>(in mln. US\$, unless indicated otherwise)</i>	Q4 2021	Q4 2020	% change YoY*	Q3 2021	% change QoQ	12M 2021	12M 2020	% change*
Revenue	467	328	42%	433	7%	1,607	1,298	24%
- Poultry and other	276	255	8%	366	-33%	1,224	1,022	20%
- Vegetable oil	191	73	162%	67	65%	383	276	39%
IAS 41 standard gains/(losses)	7	(6)	217%	(11)	257%	14	(17)	182%
Gross profit	66	15	340%	76	-15%	285	191	49%
Gross margin	14%	5%	9 pps	18%	-4 pps	18%	15%	3 pps
Adjusted EBITDA	57	14	307%	70	-23%	267	194	38%
Adjusted EBITDA margin	12%	4%	8 pps	16%	-4 pps	17%	15%	2 pps
Adjusted EBITDA per 1 kg (net of IAS 41)	0.28	0.11	155%	0.44	-57%	0.36	0.30	20%

* pps – percentage points

During 12M 2021 the segment's revenue increased by 24% year-on-year driven mostly by an increased price of chicken meat.

IAS 41 standard gain/(loss) reflects the net change in fair value of biological assets and agricultural produce. IAS 41 standard gain during 12M 2021 amounted to US\$ 14 million mainly as a result of increased poultry prices.

The gross profit of the segment for 12M 2021 increased by 49% year-on-year driven mainly by higher prices of chicken meat. Poultry production costs in Q4 2021 increased compared to Q3 2021 primarily reflecting higher cost of fodder.

During 12M 2021, adjusted EBITDA increased by 38% in line with the increase in gross profit.

Grain Growing segment

In 2021 MHP harvested around 351,000 hectares of land in Ukraine and gathered around 2.60 million tonnes of crops, 52% more than 2020 mainly due to favorable weather conditions together with the positive effects of modern technology and machinery applied during the cultivation of land and favorable weather condition. MHP's average yields remain well above the average for Ukraine for all crops due to operational efficiency and employment of best practices.

	2021 ^[1]		2020 ^[1]	
	<i>Production volume</i>	<i>Cropped land</i>	<i>Production volume</i>	<i>Cropped land</i>
	<i>in tonnes</i>	<i>in hectares</i>	<i>in tonnes</i>	<i>in hectares</i>
Corn	1,624,173	163,295	864,537	155,094
Wheat	216,007	36,773	208,143	40,827
Sunflower	279,822	88,256	261,886	93,713
Rapeseed	71,055	21,522	80,708	30,857
Soya	57,208	22,879	43,192	19,118
Other ^[2]	348,590	18,715	248,476	16,437
Total	2,596,855	351,440	1,706,942	356,046

^[1] Only land of grain growing segment;

^[2] Including barley, rye, sugar beet, sorghum and other and excluding land left fallow as part of crop rotation;

	2021		2020	
	MHP's average ^[1]	Ukraine's average ^[1]	MHP's average ^[1]	Ukraine's average ^[1]
	tonnes per hectare		tonnes per hectare	
Corn	10.0	8.0	5.6	5.4
Wheat	5.9	4.6	5.1	3.7
Sunflower	3.2	2.5	2.8	2.0
Rapeseed	3.3	3.0	2.6	2.2
Soya	2.5	2.7	2.3	2.0

^[1] MHP yields are net weight, Ukraine yields are bunker weight.

(in mln. US unless indicated otherwise)	12M 2021	12M 2020	% change
Revenue	188	134	40%
IAS 41 standard gains/(losses)	169	46	267%
Gross profit	336	94	257%
Adjusted EBITDA	397	150	165%
Adjusted EBITDA (net of IFRS 16)	338	97	248%
Adjusted EBITDA (net of IFRS 16) per 1 hectare	962	272	254%

Grain Growing Segment's revenue for 12M 2021 amounted to US\$ 188 million compared to US\$ 134 million in 12M 2020. The increase in revenue was mainly attributable to the higher volumes of crops sold in 2021 as a result of the stronger harvest in 2021 compared to 2020 together with an increase in grain prices.

The IAS 41 standard gain for 12M 2021 amounted to US\$ 169 million. The gain was primarily driven by higher amount of crops in stock designated for sale as of 31 December 2021, compared to 31 December 2020, mainly as a result of the higher yields in 2021.

Adjusted EBITDA (net of IFRS 16) of the segment in 12M 2021 increased by 248% year-on-year, reflecting the increase in grain prices as well as by the stronger harvest in 2021 compared to 2020.

Meat processing and other agricultural operations segment

Meat processing products	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M	12M	% change
						2021	2020	
Sales volume, third parties tonnes	8,507	7,234	18%	9,378	-9%	33,954	32,626	4%
Price per 1 kg net VAT, UAH	88.29	74.72	18%	83.37	6%	82.20	70.78	16%

In Q4 2021 and during 12M 2021 sales of processed meat products increased by 18% and 4% and amounted to 8,507 tonnes and 33,954 tonnes. The average price of processed meat increased by 16% year-on-year to UAH 82.20 per kg in 12M 2021, driven mainly by an increase in raw material price (poultry meat).

Convenience food	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M	12M	% change
						2021	2020	
Sales volume, third parties tonnes	4,750	5,314	-11%	5,442	-13%	18,857	19,905	-5%
Price per 1 kg net VAT, UAH	52.58	46.45	13%	47.58	11%	48.62	39.94	22%

Sales volumes of convenience food in 12M 2021 decreased by 5% to 18,857 tonnes. The average price in 12M 2021 increased by 22% to 48.62 UAH per kg (excluding VAT).

<i>(in mln. US\$, except margin data)</i>	Q4 2021	Q4 2020	<i>% change YoY</i>	Q3 2021	<i>% change QoQ</i>	12M 2021	12M 2020	<i>% change</i>
Revenue	49	38	29%	49	0%	176	144	22%
- Meat processing	40	29	38%	41	-2%	143	114	25%
- Other*	9	9	0%	8	11%	33	30	10%
IAS 41 standard loss	(4)	-	100%	-	100%	(1)	-	100%
Gross profit	0	5	-100%	3	-100%	17	19	-11%
<i>Gross margin</i>	<i>0%</i>	<i>13%</i>	<i>-13 pps</i>	<i>6%</i>	<i>-6 pps</i>	<i>10%</i>	<i>13%</i>	<i>-3 pps</i>
Adjusted EBITDA	(1)	5	-120%	1	-200%	11	20	-45%
<i>Adjusted EBITDA margin</i>	<i>-2%</i>	<i>13%</i>	<i>-15 pps</i>	<i>2%</i>	<i>-4 pps</i>	<i>6%</i>	<i>14%</i>	<i>-8 pps</i>

* includes, milk, cattle and feed grains.

Segment revenue for 12M 2021 increased by 22% year-on-year to US\$ 176 million, mainly due to an increase in the volume of meat processing products as well as by an increase in price.

The IAS 41 standard loss was mainly driven by milk operations due to increased cost.

The segment's adjusted EBITDA in 12M 2021 decreased to US\$ 11 million driven mainly by an increase in cost.

European operating segment (PP)

Poultry	Q4 2021	Q4 2020	<i>% change YoY</i>	Q3 2021	<i>% change QoQ</i>	12M 2021	12M 2020	<i>% change</i>
Sales volume, third parties, tonnes	17,924	15,165	18%	19,367	-7%	72,841	63,007	16%
Price per 1 kg net VAT, EUR	2.70	2.48	10%	2.66	2%	2.59	2.52	3%

In Q4 2021 poultry sales of the European operating segment were 17,924 tonnes, 18% higher compared to Q4 2020 driven by an increase in sales volumes in Bosnia&Herzegovina, Serbia, and Austria. The average price in Q4 2021 increased by 10% to EUR 2.70, as a result of a positive price dynamic for poultry prices both in the EU and in the world. In 12M 2021 sales increased by 16% to 72,841 tonnes with the average price up 3% to EUR 2.59.

Meat processing products¹⁾	Q4 2021	Q4 2020	<i>% change YoY</i>	Q3 2021	<i>% change QoQ</i>	12M 2021	12M 2020	<i>% change</i>
Sales volume, third parties, tonnes	10,321	9,918	4%	11,030	-6%	40,366	38,771	4%
Price per 1 kg net VAT, EUR	2.83	2.75	3%	2.76	3%	2.78	2.72	2%

1) includes sausages and convenience foods

In Q4 2021 meat processing sales of the European operating segment were 10,321 tonnes, 4% higher compared to Q4 2020. The average price in Q4 2021 was up 3% at EUR 2.83. In 12M 2021 sales increased by 4% to 40,366 tonnes with the average price up 2% to EUR 2.78.

<i>(in mln. US\$, except margin data)</i>	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Revenue	100	87	15%	110	-10%	401	335	20%
IAS 41 standard gain/(loss)	2	-	100%	-	100%	3	1	200%
Gross profit	21	22	-5%	31	-48%	106	93	14%
<i>Gross margin</i>	<i>21%</i>	<i>25%</i>	<i>-4 pps</i>	<i>28%</i>	<i>-7 pps</i>	<i>26%</i>	<i>28%</i>	<i>-2 pps</i>
Adjusted EBITDA	13	15	-13%	19	-46%	66	55	20%
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>17%</i>	<i>-4 pps</i>	<i>17%</i>	<i>-4 pps</i>	<i>16%</i>	<i>16%</i>	<i>0 pps</i>
Adjusted EBITDA (net of IFRS 16)	13	15	-13%	18	-38%	63	53	19%
<i>Adjusted EBITDA margin (net of IFRS 16)</i>	<i>13%</i>	<i>17%</i>	<i>-4 pps</i>	<i>16%</i>	<i>-3 pps</i>	<i>16%</i>	<i>16%</i>	<i>0 pps</i>

The European operating segment's revenue in 12M 2021 increased by 20% to US\$ 401 million, mainly as a result of increased poultry sales volume and prices. Adjusted EBITDA (net of IFRS 16) increased by 19% to US\$ 63 million for the year (12M 2020: US\$ 53 million), mainly due to higher operational efficiencies, which allowed to offset growing cost of raw materials, positive impact from appreciation of the EURO against US Dollar as well as one-off effects related to insurance and some change in accounting treatment from past events. Adjusted EBITDA margin (net of IFRS 16) was unchanged at 16% in 12M 2021.

Current Group financial position and cash flow

<i>(in mln. US\$)</i>	Q4 2021	Q4 2020	12M 2021	12M 2020
Cash from operations	91	29	370	225
Change in working capital	(224)	(96)	(245)	(154)
Net Cash from operating activities	(133)	(67)	125	71
Cash used in investing activities	(3)	(34)	(100)	(129)
Net cash outflow on acquisition of subsidiaries	-	-	(2)	-
CAPEX ¹⁾	(51)	(21)	(143)	(79)
Cash used in financing activities	163	10	106	(21)
<i>Dividends</i>	<i>(33)</i>	<i>-</i>	<i>(71)</i>	<i>(31)</i>
Total financial activities	130	10	35	(53)
Total change in cash ²⁾	(6)	(91)	60	(110)

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

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

Cash flow from operations before changes in working capital in 12M 2021 increased to US \$ 370 million (12M 2020: US\$ 225 million).

The increase in working capital during 12M 2021 compared to 12M 2020 is mostly related to higher investments in the stock of corn designated for internal use, mainly following higher yields in 2021 as well as higher investments in the sunflower seed and increased grain price.

During 12M 2021 total CAPEX amounted to US\$ 143 million mainly related to the requirements in maintenance, improvements and expansion of Perutnina Ptuj production facilities and modernization and cost optimisation projects as well as the development of new culinary products.

Debt Structure and Liquidity

<i>(in mln. US\$)</i>	31 December 2021	30 September 2021	31 December 2020
Total Debt ¹⁾	1,505	1,451	1,462
LT Debt ¹⁾	1,489	1,431	1,453
ST Debt ¹⁾	126	20	36
Trade credit facilities ²⁾	(110)	-	(27)
Cash and cash equivalents	(275)	(287)	(218)
Net Debt ¹⁾	1,230	1,164	1,244
LTM adjusted EBITDA ¹⁾	648	558	340
<i>Net Debt / LTM ADJUSTED EBITDA</i> ¹⁾	1.90	2.09	3.66

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

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

As of 31 December 2021, the share of long-term debt in the total outstanding debt is 99%. The weighted average interest rate was below 7%.

As of 31 December 2021, MHP's cash and cash equivalents amounted to US\$ 275 million.

Net debt decreased to US\$ 1,229 million, compared to US\$ 1,244 million as of 31 December 2020.

The Net Debt / LTM adjusted EBITDA (net of IFRS 16) ratio declined from 3.66 at 31 December 2020 to 1.90 as of 31 December 2021, well below the defined limit 3.0 to 1

As a hedge for currency risks, revenue from the export of grain, sunflower and soybean oil, sunflower husks, and chicken meat which are denominated in US Dollars and Euros, are more than sufficient to cover debt service requirements. Export revenue for 12M 2021 amounted to US\$ 1,265 million or 53% of total revenue (US\$ 1,016 million or 53% of total revenue for 12M 2020).

DIVIDENDS

At an extraordinary general meeting on 28 April 2021, the Shareholders of MHP SE approved payment of an annual dividend of US\$ 0.2803 per share, equivalent to US\$ 30 million, to shareholders on the register as of 7 May 2021.

At its meeting on 17 November 2021, in recognition of the Company's exceptional performance in 2021, the Board of Directors approved the payment of a one-off special dividend of US\$ 0.2803 per share equivalent to US\$ 30 million.

Taking into account the current uncertainties following the Russian invasion of Ukraine, and the resulting need to preserve liquidity to support the Company's ongoing business operations and to help sustain national food security, the Board of MHP SE has decided that no final dividend will be paid.

BOARD CHANGES

On 18 January 2021, the Company announced that Mr Roger Wills, an independent non-executive director, had resigned from the MHP SE Board.

On 09 February 2021, the Company announced that Mr. Roberto Banfi, after two and half years as a non-executive director and a member of the International Government Relations and Public Affairs Committee, was retiring from the Board of Directors of MHP SE. At the same time, Mr. Banfi became an Advisor to the Board with a possibility to join both Board and Committees meetings on a regular basis on invitation from the Chairman of the Board and Chairmen of Committees.

On 8 September 2021 Philip J Wilkinson OBE was appointed to chair the Nominations and Remuneration Committee. Dr John Rich stepped down simultaneously as Interim Chairman of the Nominations and Remuneration Committee and continues to serve as a member of the Committee.

On 16 November 2021 Yuriy Melnyk resigned from the Board.

On 28 December 2021 Andriy Bulakh joined the Board.

WAR IN UKRAINE

The military invasion of Ukraine by Russian forces began at 5 am on 24 February, marking the beginning of a full-scale war across Ukraine. Russian invaders have shown utter disregard for civilian lives and directed lethal firepower on cities, towns and villages; production facilities, hospitals, houses, cars and bystanders on the streets; elderly people and families with children who were seeking shelter from the fighting. Many human lives have tragically been lost. As of the date of this report, the war in Ukraine continues at extended scale, inflicting damage and destruction on the country's infrastructure and the Ukrainian population.

As reported by MHP earlier, since the beginning of the war the Company has been facing significant logistical and infrastructure challenges in Ukraine. While MHP has been able to continue commercial sales in Ukraine since the war began, export sales ceased as a result of ports being closed, while export delivery by truck remained practically impossible. During March, an MHP team has been developing alternative logistic routes for exports, enabling as yet limited volumes to be delivered outside of Ukraine. As a result of restricted sales both inside and outside the country, MHP had to decrease poultry capacity utilization to 80-85%.

Due to shelling by the occupying forces on March 12, in the village of Kvitneve (Kyiv region), a fire broke out in a warehouse (two buildings rented by the Company) where frozen MHP chicken meat products were stored. As a result of the fire, over 3,000 tonnes of poultry products were lost. The facility was Ukraine's largest warehouse for storage of frozen products and was predominantly used by large local retail chains.

As hostilities in the Donetsk region intensified, in April MHP decided to temporarily suspend operations of "Ukrainian Bacon" (a meat-processing operation with c.34,000 tonnes annual capacity, located in the Kramatorsk district in the Donetsk region). As of the date of this report, the facility has not been damaged and remains under MHP control. MHP is currently working to re-establish Ukrainian Bacon operations in other MHP facilities.

MHP has a key responsibility in the food security of Ukraine and has continued its operations despite significant difficulties and disruptions. MHP fully understands how important poultry production is for Ukraine and its population at this difficult time. All MHP employees are fully committed to every effort to ensure that Ukrainians have access to food now and in the future. The Company has continued to provide humanitarian aid (mainly through food supply) to the population of Ukraine since the beginning of the war and is working hard to manage logistical challenges across all regions of Ukraine. Since the war began, the Company has provided around 11,000 tonnes of free-of-charge poultry products, other food, equipment, cars, diesel and different materials as part of its humanitarian mission.

CONSENT SOLICITATION PROPOSAL – DEFERRAL OF PAYMENT OF EUROBOND COUPONS

On 21 March 2022, MHP announced a Consent Solicitation Proposal to seek the consent of bondholders to defer the payments of the coupons of three Eurobonds (2024, 2026 and 2029) by 270 days from their due dates in March-May 2022. On 31 March 2022, the Company announced that the Consent Solicitation Proposal had been completed ahead of schedule following receipt of approval from the majority of holders of each of its outstanding Eurobonds.

OUTLOOK/GOING CONCERN

Until the Russian invasion commenced on the 24th of February 2022 had started well for MHP, with production going to plan and strong global prices for poultry and agricultural commodities.

Since 24 February, MHP and its entire Ukrainian workforce have responded to the dramatic changes in circumstances with alacrity and considerable success to date in maintaining production and sales, albeit at reduced levels. In spite of considerable ongoing logistics challenges, poultry production has already recovered to about 85% of normal capacity and in the second half of the year, we hope to harvest grain crops from the 90% of our land where sowing is now in progress,

with excellent early growing conditions. We expect shortly to recommence production and export of vegetable oils and if current logistics trials are successful, to at least partially restore poultry exports.

Due to global shortages, which are expected to continue into 2023, prices of both poultry and grain are expected to remain at high levels at least for the rest of 2022, although for MHP the positive effect of higher prices will be partly offset by strong cost inflation, for example in utilities, energy and essential commodities, in addition to more costly logistics solutions.

With the recent strong support of holders of our Eurobonds and our bankers, the Group is currently adequately funded to maintain operations and business continuity.

There remains extreme uncertainty about how the war in Ukraine will progress and the effects this could have on MHP's operations over the coming months. As a result and in spite of the Group's success in maintaining operations thus far, at this stage it is not possible to provide guidance as to how the year may turn out.

Notes to Editors:

About MHP

MHP is the leading producer of poultry products not only in Ukraine, but also in the Balkans (Perutnina Ptuj Group).

Ukraine: MHP has the greatest market share (over 30% of poultry consumption) and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Complete vertical integration practically eliminates MHP's exposure to raw material price fluctuations since its grain production exceeds internal consumption requirements, allowing the Company to be an important participant in the international commodity trade. In addition to cost efficiency, vertical integration also enables MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products all the way to the point of sale. To support its sales, MHP maintains a distribution network consisting of nine distribution and logistical centers within major Ukrainian cities. MHP uses its own truck fleet to distribute its products, reducing overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn, soya and sunflower to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

The Balkans: Perutnina Ptuj (PP) is a leading poultry and meat-processing producer in the Balkans, with production sites in four Balkan countries: Slovenia, Croatia, Serbia, Bosnia and Herzegovina. PP owns distribution companies in Austria, Macedonia and Romania and supplies products to fifteen countries in Europe. PP is vertically integrated across all states of chicken meat production - feed, hatching eggs production and hatching, breeding, slaughtering, sausage production and further poultry processing.

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

Forward-Looking Statements

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