Half-year report 2022

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Contents

Who we are

A world-leading, fully integrated agriculture network that connects producers and consumers to sustainable, traceable and quality-controlled agricultural products.

Our network of storage, processing and transportation assets spans over 37 countries worldwide. Our processing facilities include wheat mills, oilseed crushing and biodiesel facilities, and sugarcane milling.

Through our industry insight, strong relationships, and our strategically located network of assets in the key export and import regions, we focus on the sustainability, safety, quality and reliability of everything we do.

Our diverse and talented people have decades of experience in global agricultural supply chains and, together with our network, we provide our customers with reliable and efficient service and open pathways to new business.

We have strong relationships with thousands of producers and farming cooperatives in key growing areas of the world. Many of them have supplied our company for generations.

We are owned by three shareholders who support our vision and believe we are well positioned to capitalise on the strong fundamentals within our industry – Glencore, CPP Investments and British Columbia Investment Management Corporation (BCI).

What we do

We originate, process, manage and supply agricultural commodities to our customers around the world.

We source grains, oilseeds, pulses, sugar and cotton from the major growing regions and use our extensive network of assets to store, transport and process them into a range of value-added products and deliver them to the exact quality and specifications customers expect.

We market to food manufacturers, animal feed manufacturers, consumer product processors, local importers and distributors, and governments around the world. Our robust network of producers and assets gives us the ability to originate supply from alternative origins so that we can always meet their needs.

Our global chartering operation provides vessel transportation for a wide range of agricultural commodities. Our extensive fleet of vessels transports to hundreds of ports around the world annually.

A message from our **Chief Executive Officer**

We expect robust global demand to remain for the balance of the year and supply to be strong, particularly from Australia and Canada, which will continue to provide opportunities for Viterra.

David Mattiske
Chief Executive Officer

Strong results

2022 has seen the continuation of high prices across all our core agricultural commodities, with strong global demand and supply chain disruptions, most notably from the Ukraine-Russia conflict, contributing to sustained market volatility.

Our global origination, processing and marketing network has provided us with the flexibility to meet our customers' requirements and continue to deliver quality-controlled, sustainable products, so that we can continue to provide value to our shareholders.

This, coupled with the steps we have taken to strengthen the core structure of our business, by reducing costs and improving operational efficiencies, has resulted in strong results that have well exceeded expectations for the first half of the year.

New acquisition

Earlier this year we announced our intent to purchase Gavilon, a leading storage and handling business headquartered in Omaha, Nebraska, with international marketing operations in Mexico, South America, Europe and Asia.

The acquisition of Gavilon supports our long-term strategy of increasing our presence in the United States, and further strengthens our global network. We are currently working through the regulatory approval process and are on track to close the transaction before the end of 2022.

Our focus on sustainability

We continue to pursue our goal of supplying sustainable agricultural products and reducing our environmental impact. In May, we were pleased to announce our ambition to be carbon net zero by 2050.

To guide our pathway to net zero, we will establish robust medium-term emission reduction targets. These will be announced in 2023, following the integration of Gavilon. We will also begin to measure our Scope 3 emissions as we work towards the goal of decarbonising our supply chains.

We are working towards our goal of eliminating deforestation in our supply chains, and in South America we remain on track to eradicate soy sourced from deforested land by the end of 2025. As one of the 13 signatories of a joint industry statement at COP 26, these efforts, along with many others, will help reduce greenhouse gas emissions related to our supply chains.

As the war in Ukraine continues, the safety of our people there is our highest priority. I would like to share my deepest sympathies to everyone affected across the country. Our crisis management team is in daily contact with our employees to confirm their safety and to provide support wherever possible.

Since the war began, we have continued to pay our Ukrainian employees their full salaries and we have committed $3 million USD to provide support to our colleagues and humanitarian aid to local communities.

Looking forward

We expect robust global demand to remain for the balance of the year and supply to be strong, particularly from Australia and Canada, which will continue to provide opportunities for Viterra.

We are tremendously excited by what Gavilon will bring to our business. This addition to our network will diversify our earnings and geographic reach and solidifies our position as one of the industry's largest players in global origination, marketing and seaborne trade.

The combination of the Gavilon and Viterra origination businesses will also enable us to provide more value and flexibility to our customers. We will be able to rapidly enhance our sustainable supply chains, provide higher levels of quality control and reliability, while creating exciting opportunities for our customers, employees and our business.

Our global network is underpinned by our exceptionally talented people, who manage the flow of commodities through our strategically located assets around the globe. The results for the first half of 2022 are a true reflection of our colleagues' hard work and dedication to our business. I would like to thank everyone for their efforts during the year so far.

Our **values**

Our values empower our people to behave in ways that contribute to the success of our business as well as treating the world with respect:

We make things happen

Efficient and effective, we get the job done. We empower our people to make well-informed decisions, fast. We are responsive to change and pursue opportunity.

We are responsible

We care for our colleagues, our customers, our communities and our environment. We prioritise safety and sustainability throughout our business, continuously looking to improve our performance and to maximise the positive contribution we make to the world.

We are connected

We value diversity and work inclusively to bring together many minds, many talents and many perspectives. Throughout our network, we collaborate respectfully and build successful partnerships that last.

We are open

We are true to our word. We partner with colleagues and customers in a positive, straightforward way, operating with transparency and integrity to be successful.

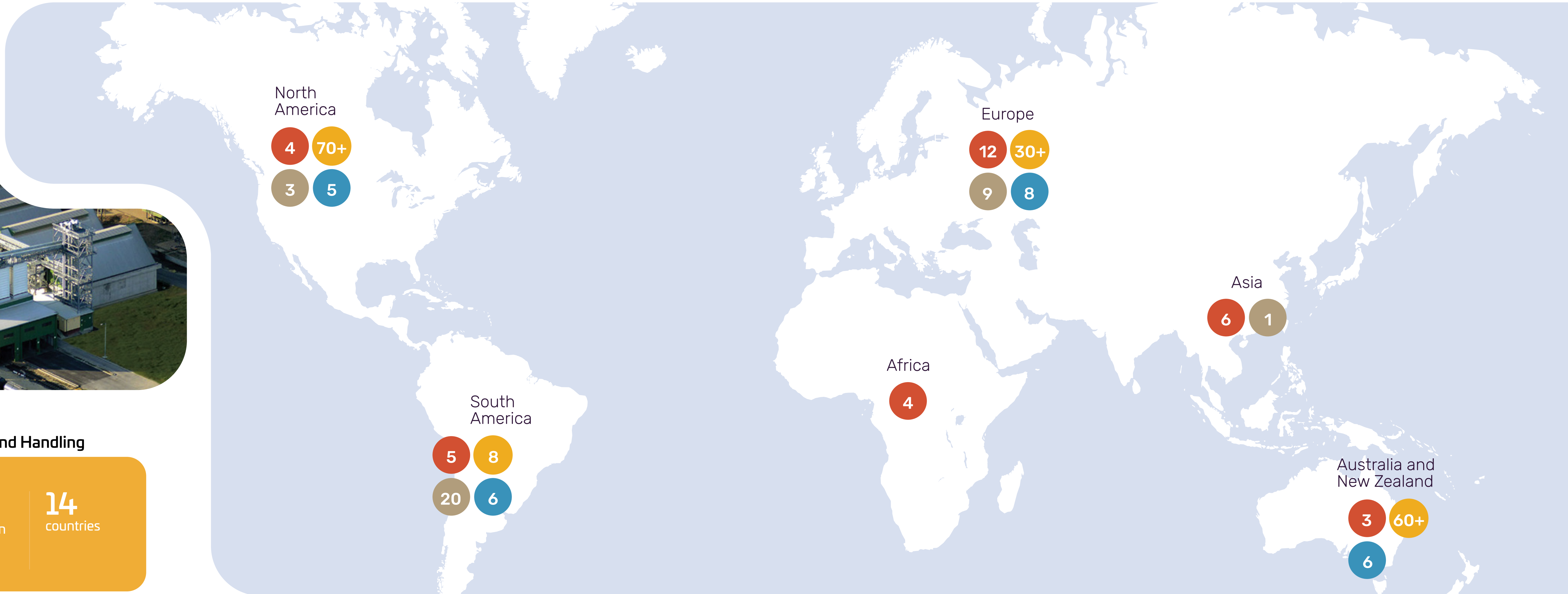
We look ahead

We are solutions focused. The future presents us with possibilities. We constantly learn and evolve, developing new ways of doing business to be the leaders in our field.

Our **network**

Origination

We source directly from producers and producer cooperatives from all the main growing regions in the world.



Site numbers refer to owned or leased assets and were correct at time of printing.

Storage and Handling

180+ storage facilities in | **14** countries

We have storage and handling facilities in key growing regions to ensure products are available when customers need them.

Logistics

2,000+ owned or leased rail wagons | **200+** ocean-going vessels

Our comprehensive logistics network allows us to oversee our commodities from farm gate to customer.

Processing and Refining

30+ processing and refining facilities in | **13** countries

We own a range of facilities that enable us to provide commodities ready for consumer use.

Port Terminals

25 port terminals in | **9** countries

Our network of port terminals in the main exporting countries ships to destinations around the world.

Marketing

90m tonnes of commodities marketed in 2021 | marketing offices in **32** countries

With our insight, experience, network and strong producer relationships, we originate agricultural commodities and supply them to customers worldwide.

Management discussion

H1 2022 in numbers

Sales volume

43 MMT

Wheat, corn, barley, soybeans and soybean meal were the dominant commodities for H1 2022

Revenue

25

USD$bn

EBITDA

1,414

USD$m

Net income
attributable to equity holders

571

USD$m

FFO

1,164

USD$m

Total capital expenditure

114[1]

USD$m

[1]On a cash basis, including investments.

Adjusted net debt

530

USD$m

Adjusted net debt to LTM[1] EBITDA

0.20x

[1] LTM: Last 12 months.

All volumes are shown per annum and are correct as of August 2022
This section contains non-IFRS alternative performance measures, defined on page 10

A message from our **Chief Financial Officer**

Peter Mouthaan
Chief Financial Officer

Amidst the geopolitical environment of 2022 Viterra has been able to continue to provide its services by distributing crucial agricultural commodities across the globe. H1 2022 effectively emphasized the importance of a geographically diverse origination base. Our positive results are a reflection of our global reach and ability to remain a reliable supplier to our customers.

Prices remained high into 2022 on the back of market tightness, supply chain disruptions and increased demand. With consumers looking to find alternatives to Black Sea supply, access to a global network and flexible procurement options was crucial to maintaining trade flows and meeting market demand.

The negative impacts of the Canadian drought and Black Sea disruptions were bolstered by a recovery of Australian production, South American and European supply. Across H1 2022, we adapted our origination and trade flows to secure strong pipeline margins across our core commodities. EU oilseed processing and biodiesel results, increased cotton earnings and continued positive freight environment also contributed to the strong first half performance.

Underpinning our activities are our robust risk management, compliance and safety protocols, which ensure we operate at the highest standard and maintain value for our stakeholders. The results of the year so far are a testament to the efforts of our talented network of employees and I extend my thanks to each individual.

A primary focus for the year will be the completion of the Gavilon acquisition, adding the US origin to our global network and further diversifying our business. The transaction will be funded with the expansion of new and existing committed facilities, issuance of additional bonds in April and withheld operating cash flow. The transaction was confirmed as credit neutral by S&P and Fitch in January 2022. Our investment grade commitment remains firm, supported by our shareholders, and we will prioritise de-leveraging post-close and expect a smooth integration process.

Throughout 2022, we have continued to engage with investors, creditors, employees, communities and all our wider stakeholders. We strive to remain transparent and open as we continue to our goal of delivering fully sustainable supply chains in what we believe is a continued constructive market environment.

Management **discussion and analysis**

Year on year growth in earnings

Our sales volumes for the six months ended 30 June were 43 MMT, predominantly comprised of grains (wheat, corn, barley) and oilseeds (soybean, soybean meal, rapeseed and vegetable oils).

Total revenue was $25bn, compared to $20bn for H1 2021, representing a 26% increase. The change was predominantly driven by significant increases in our core commodity prices in particular for wheat, corn, rapeseed, and vegetable oils.

Sales Volumes

Million tonnes	HY1 2022	HY1 2021	Change %
Grain	25.4	26.5	-4.2%
Oilseeds	16.2	16.9	-4.1%
Cotton	0.3	0.3	0.0%
Sugar	1.1	0.8	36.3%
Total	**43.0**	**44.5**	-3.4%

Adjusted EBITDA[1] for the period was $1,413m, a 43% increase from H1 2021. We saw positive contributions across all areas of our business, from origination, storage & handling and logistics through to processing, seaborne trade, chartering and marketing.

H1 2022 saw an increase in our net financing costs vs the same period 2021 on the back of higher working capital funding and increasing interest rates.

Total tax expenses were $178m for H1 2022, vs $162m in H1 2021. Our adjusted effective tax rate (adjusted for foreign currency translation effects, inflation corrections movements in temporary difference and other adjustments) for H1 2022 was 26%.

Net income attributable to equity holders came to $571m for the period, an increase of 34% vs H1 2021.

Strong balance sheet structure

Total non-current assets at period end, 30 June 2022, were $6,3bn, vs $6,1bn at year-end 2021 primarily driven by higher right-to-use assets, which increased on the back of new lease additions and re-measurement of existing right-of-use leases at period end market prices.

Long-term debt includes $3,166m of capital notes, $1,247m revolving credit facilities (RCFs), $629m lease liabilities and $278m other bank loans. Viterra maintains long-standing relationships with over 50 banks across several geographies and with extensive knowledge of the commodities sector. In 2022, Viterra issued two capital notes ($450m and $300m US bonds) as part of our strategy to diversify funding and extend our debt maturity profile.

Short-term debt includes $1,059m secured inventory/receivables facilities, $486 lease liabilities and $2.691m bilateral bank facilities and other financings.

Equity (excluding non-controlling interests) at 30 June 2022 came to $5,095m, an increase of $496m related to positive earnings for the period.

All figures are USD

Net funding primarily used to finance liquid inventories

Total working capital[2] for the period ending 30 June 2022 was $8.2bn, vs $7.8bn at year-end 2021. Significant growth in commodity prices has become the dominant driver behind changes in capital requirements.

The largest component of working capital is readily marketable inventories (RMIs) which are considered readily convertible to cash due to their highly liquid nature and available markets. Viterra considers all marketing inventory as RMI and nearly all its production inventory (volumes to be processed or already processed) as RMI given the large demand markets for sub-products. As at 30 June 2022, RMI was 7.9bn (98% of total inventories), compared to $8.2bn at year-end 2021.

As typically seen across the industry, total funding[3] is strongly correlated to readily marketable inventory. Given the liquid nature of these inventories it is appropriate to also exclude when considering Viterra's adjusted net debt[4]. At 30 June 2022, our adjusted net debt[5] was $530m, compared to $289m at year-end 2021. The increase was driven by changes in non-inventory working capital and higher lease liabilities, and was predominantly offset by strong operating cash flow. Our adjusted net debt to last twelve month adjusted EBITDA was 0.20x.

Ample liquidity headroom

Viterra takes a conservative approach to liquidity headroom. The group's policy is to reserve a large part of its RCFs undrawn in order to maintain sufficient committed headroom and to mitigate liquidity risk. As at 30 June 2022, Viterra held $4.5bn available headroom in committed facilities.

Our main facilities consist of;

- 1yr committed USD $4,100m European RCF (1year extension+1year term out option)
- 3yr committed USD $1,000m RCF (+2x 1yr extension option)
- 1yr committed USD $615m Asian RCF (+2x 1yr extension option)

Increased operating cash flow

Funds from operations[6] (FFO) is a measure that reflects our ability to generate cash for investment, debt servicing and distributions to shareholders. FFO for H1 2022 was $1,164m, an increase of 46% compared to H1 2021 on the back of strong earnings.

Total capital expenditure for the period (on a cash basis, including investments) was $116m, vs $154 in H1 2021. Expansionary projects include a refinery construction at our crush facility in Hungary and upgrades to our networks in Canada, Australia and Argentina.

Gavilon acquisition

The transaction will be primarily financed through new or existing debt facilities and cash on hand. A $1.7bn bridge facility was secured with our core banking group in January 2022, and the available commitments were subsequently reduced to $950m in April, following the bond issuances.

All figures are USD

Non-IFRS metric **definitions**

1 EBITDA	consists of revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and joint ventures and dividend income, adding back depreciation and amortisation
2 Working capital	is calculated as accounts receivables, other financial assets, inventories, securities less accounts payable and other financial liabilities
3 Total funding	is defined as the total of current and non-current borrowings
4 Net debt	is defined as total current and non-current borrowings less cash and cash equivalents
5 Adjusted net debt	is defined as total current and non-current borrowings less cash and cash equivalents and readily marketable inventories
6 FFO	comprises cash provided by operating activities before working capital changes, less tax and net interest payments plus dividends received

Last Twelve Months ("LTM") Adjusted EBITDA

US$ million	H1 2022
Full year 2021	2,180
Less: H1 2021	-991
Add: H1 2022	1,414
LTM	**2,603**

All figures are USD

Unaudited condensed interim consolidated financial statements

For the six months ended 30 June 2022

Viterra Limited

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Conclusion
We have been engaged by the company to review the condensed interim consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes of equity and related notes 1 to 20.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU).

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 as adopted by the EU.

Conclusion relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information
In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
7 September 2022

Condensed consolidated statement of **income**

For the six months ended 30 June (unaudited)

US$ million	Notes	2022	2021
Revenue	2	25,030	19,871
Cost of goods sold		(23,931)	(19,098)
Gross margin		**1,099**	**773**
Selling and administrative expenses		(172)	(116)
Share of income from associates and joint ventures		8	11
Gain on disposals and investments	3	9	–
Other income[1]	4	4	7
Other expense[1]	4	(66)	(5)
Dividend income		3	2
Interest income		4	3
Interest expense	6	(142)	(99)
Income before income taxes		**747**	**576**
Income tax expense	7	(178)	(162)
Income for the period		**569**	**414**
Attributable to:			
Non-controlling interests		(2)	(11)
Equity holders		571	425

[1] Consists of a different breakdown of prior year balances to conform with current year presentation to show separately other income and expense items.

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of **comprehensive income**

For the six months ended 30 June (unaudited)

US$ million	2022	2021
Income for the period	569	414
Other comprehensive income/(loss)		
Items not to be reclassified to the statement of income in subsequent periods:		
Profit/(loss) on financial assets measured at fair value through other comprehensive income	1	(1)
Net items not to be reclassified to the statement of income in subsequent periods:	**1**	**(1)**
Items that are or may be reclassified to the statement of comprehensive income in subsequent periods:		
Exchange loss on translation of foreign operations	(85)	(19)
Gain/(Loss) on cash flow hedges	10	(2)
Items recycled to the statement of comprehensive income upon disposal of subsidiaries	(4)	–
Net items that are or may be reclassified to the statement of income in subsequent periods:	**(79)**	**(21)**
Other comprehensive loss	**(78)**	**(22)**
Total comprehensive income	**491**	**392**
Attributable to:		
Non-controlling interests	(3)	(10)
Equity holders of the parent	494	402

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of **financial position**

As at 30 June 2022 and 31 December 2021

US$ million	Notes	2022 (unaudited)	2021 (audited)
Assets			
Non-current assets			
Property, plant and equipment	8	4,503	4,415
Intangible assets		1,040	1,050
Investments in associates and joint ventures	9	396	396
Other investments	16	11	10
Advances and loans	10	84	65
Pension surplus		96	97
Deferred tax assets		148	99
		6,278	**6,132**
Current assets			
Biological assets		24	20
Inventories	11	8,098	8,340
Accounts receivable	12	3,163	2,904
Other investments	16	9	30
Other financial assets	16,17	2,497	1,409
Cash and cash equivalents	13	1,084	475
Income tax receivable		112	121
		14,987	**13,299**
Total assets		**21,265**	**19,431**
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital		1	1
Reserves and retained earnings		5,094	4,600
		5,095	4,601
Non-controlling interests		154	157
Total equity		**5,249**	**4,758**
Non-current liabilities			
Borrowings	14,16	5,320	4,437
Deferred tax liabilities		420	447
Post-employment benefits		19	18
Provisions		109	129
Other financial liabilities	16,17	176	66
Other long-term liabilities		32	27
		6,076	**5,124**
Current liabilities			
Borrowings	14,16	4,236	4,516
Accounts payable	15	3,972	3,452
Provisions		31	106
Other financial liabilities	16,17	1,502	1,369
Income tax payable		198	105
Other current liabilities		1	1
		9,940	**9,549**
Total equity and liabilities		**21,265**	**19,431**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of **cash flows**

For the six months ended 30 June (unaudited)

US$ million	Notes	2022	2021
Operating activities			
Income before income taxes		747	576
Adjustments for:			
Depreciation and amortisation		475	322
Share of income from associates and joint ventures	9	(8)	(11)
Increase/(Decrease) in other long-term liabilities		19	(1)
Gain on disposals and investments	3	(9)	(2)
Impairments	5	35	1
Other non-cash items – net		21	(8)
Interest expense – net[1]		138	96
Cash generated by operating activities before working capital changes, interest and tax		**1,418**	**973**
Working capital changes			
Increase in accounts receivable and other financial assets[2]		(1,534)	(404)
Decrease in inventories[3]		81	81
Increase/(Decrease) in accounts payable and other financial liabilities[4]		758	(632)
Total working capital changes		**(695)**	**(955)**
Income taxes paid		(160)	(109)
Interest received		3	2
Interest paid		(107)	(79)
Net cash generated/(used) by operating activities		**459**	**(168)**
Investing activities			
Net cash received from disposal of subsidiaries		10	–
Purchase of investments		(2)	(3)
Proceeds received from sale of investments		–	24
Purchase of property, plant and equipment, and intangibles		(114)	(151)
Proceeds from sale of property, plant and equipment, and intangibles		7	1
Dividends received		10	12
Net cash used by investing activities		**(89)**	**(117)**
Financing activities[5]			
Net proceeds from other non-current bank facilities		121	105
Proceeds from issuance of capital market notes[6]		744	1,189
Net repayments of current borrowings		(303)	(855)
Repayments of lease liabilities		(317)	(167)
Distributions to non-controlling interests		–	(3)
		245	**269**
Increase/(Decrease) in cash and cash equivalents		615	(16)
Foreign exchange movement in cash		(6)	–
Cash and cash equivalents, beginning of period		475	327
Cash and cash equivalents, end of period		**1,084**	**311**

[1] Consists of interest income of $4 million (2021: $3 million) and interest expense of $142 million (2021: $99 million).
[2] Includes movements in advances and loans and other financial assets.
[3] Includes movements in biological assets.
[4] Includes movements in other financial liabilities and provisions.
[5] Refer to note 14 for reconciliation of movement in financial liabilities.
[6] Net of issuance costs of $3 million (2021: $8 million).

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of **changes of equity**

For the six months ended 30 June (unaudited)

US$ million	Retained earnings	Share premium	Other reserves	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests	Total equity
1 January 2022	**2,747**	**2,796**	**(943)**	**4,600**	**1**	**4,601**	**157**	**4,758**
Income for the period	571	–	–	571	–	571	(2)	569
Other comprehensive (loss)	(2)	–	(75)	(77)	–	(77)	(1)	(78)
Total comprehensive income/(loss)	**569**	**–**	**(75)**	**494**	**–**	**494**	**(3)**	**491**
Change in ownership interest in subsidiaries	–	–	–	–	–	–	–	–
Distributions paid	–	–	–	–	–	–	–	–
At 30 June 2022	**3,316**	**2,796**	**(1,018)**	**5,094**	**1**	**5,095**	**154**	**5,249**

US$ million	Retained earnings	Share premium	Other reserves	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests	Total equity
1 January 2021	**1,803**	**3,096**	**(814)**	**4,085**	**1**	**4,086**	**189**	**4,275**
Income for the period	425	–	–	425	–	425	(11)	414
Other comprehensive income/(loss)	–	–	(23)	(23)	–	(23)	1	(22)
Total comprehensive income/(loss)	**425**	**–**	**(23)**	**402**	**–**	**402**	**(10)**	**392**
Change in ownership interest in subsidiaries	–	–	1	1	–	1	(1)	–
Distributions paid	–	–	–	–	–	–	(3)	(3)
At 30 June 2021	**2,228**	**3,096**	**(836)**	**4,488**	**1**	**4,489**	**175**	**4,664**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 1: Accounting policies

Corporate information

Viterra Limited (the "Company" or "Parent") together with its subsidiaries (the "Group" or "Viterra"), is a leading integrated producer and marketer of agricultural products, with worldwide activities in the production, refining, processing, storage, transport and marketing of agricultural products. Viterra operates on a global scale, marketing and distributing physical commodities mainly sourced from third party producers to industrial consumers, such as those in the oil and food processing industries. Viterra also provides financing, logistics and other services to producers and consumers of commodities. In this regard, Viterra seeks to capture value throughout the commodity supply chain. Viterra's long experience in production, processing, storage and handling, and marketing of commodities has allowed it to develop and build upon its expertise in commodities which it markets, and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions.

Viterra Limited is a privately held company incorporated and domiciled in Jersey.

These unaudited condensed interim consolidated financial statements for the six months ended 30 June 2022 were issued on 7 September 2022. The unaudited condensed interim consolidated financial statements do not represent statutory financial statements.

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU) effective for the Company's reporting for the six months ended 30 June 2022.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Group's audited consolidated financial statements as at 31 December 2021. The Group's audited consolidated financial statements as at 31 December 2021 were prepared in accordance with International Financial Reporting Standards as issued by the IASB and adopted by the EU. Certain financial information that is included in the audited annual financial statements but is not required for interim reporting purposes has been condensed or omitted.

The accounting policies, critical accounting judgements and key accounting estimates applied in the interim financial statements are consistent with those applied in the Group's audited consolidated financial statements as at 31 December 2021. The income tax expense for the six months ended 30 June 2022 is determined by applying the actual effective tax rate to the year-to-date actual tax calculation, as this represents the best estimate of the annual effective tax rate.

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2022 have been prepared on a going concern basis. The Directors have assessed that they have, at the date of this report, a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months after the date of this report. This assessment included consideration of the current developments in Russia and Ukraine as described in further detail below.

All amounts are presented in millions of United States Dollars ("USD" or "US Dollar"), unless otherwise stated, consistent with the predominant functional currency of Viterra's operations.

While there is a degree of seasonality in the growing season and procurement of our principal marketable inventories, such as oilseeds and grains, the Group typically does not experience material fluctuations in volume between the first and second half of the year because Viterra is geographically diversified between the northern and southern hemispheres, and sells and distributes a broad range of agricultural products throughout the year.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 1: Accounting policies continued...

War in Ukraine

On 24 February 2022, Russia invaded Ukraine, initiating a conflict that is still ongoing. Viterra has business operations and assets in both countries. Management is carefully following the situation on a continuous basis. Viterra has implemented a comprehensive risk management plan, which prioritises the safety of its employees in Ukraine.

For the six months ended 30 June 2022, Viterra's operations in Ukraine have been adversely impacted. This has resulted in a reduction of Viterra's net income by $48 million as a result of impaired receivables ($29 million, refer to note 5), fair value adjustment on inventories ($15 million, refer to note 11), and impaired property, plant and equipment ($4 million, refer to note 5). As the conflict continues, it may have additional adverse effects. As at 30 June 2022, Viterra had total assets of $408 million (2% of the total Group assets) and total liabilities of $47 million (less than 1% of the total Group liabilities) in Ukraine, after considering all above mentioned reduction.

In regards to Russia, various countries have implemented economic sanctions on Russia and certain Russian citizens and enterprises. The continuation of the conflict may trigger a series of additional economic and other sanctions, as well as retaliatory measures taken by the Russian government impacting foreign investors. As Viterra maintains operations in Russia, any such sanctions or measures are likely to have an adverse effect on its Russian operations. At 30 June 2022, Viterra had total assets of $423 million (approximately 2% of the total Group assets) and total liabilities of $178 million (approximately 1% of total Group liabilities) in Russia.

Considering the above, management does not believe the uncertainty arising from the conflict would impact the Company's ability to continue as a going concern.

Adoption of new and revised standards

These unaudited condensed interim consolidated financial statements are prepared using the same accounting policies as applied in the audited consolidated financial statements as at 31 December 2021. The Group assessed the impact of revisions to existing accounting pronouncements that became effective for annual reporting periods beginning on or after 1 January 2022 and these amendments have no material impact on the Group's financial statements for the period of the first six months of 2022.

Note 2. Revenue

Revenue for the period comprises the following:

US$ million	H1 2022	H1 2021
Oilseeds	12,095	9,927
Grain	11,126	8,620
Freight[1]	404	346
Cotton	856	616
Sugar	549	362
Total	**25,030**	**19,871**

[1] Freight revenue is recognised as the performance obligation is satisfied over time.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 3. Gain on disposals and investments

US$ million	H1 2022	H1 2021
Gain on disposal of subsidiaries	8	–
Gain on sale of share in joint venture	1	–
Total	**9**	**–**

2022

During H1 2022, Viterra completed the disposal of a subsidiary with a silo in Bulgaria, of certain subsidiaries containing rice assets in Uruguay and Argentina, as well as a barge joint venture.

2021

In the period ended 30 of June 2021, Viterra had no material disposals of subsidiaries.

Note 4. Other income/(expense) – net

US$ million	Note	H1 2022	H1 2021
Change in mark-to-market valuations on investments held for trading		–	5
Change in market to market on non-trade derivatives		4	2
Other income[1]		**4**	**7**
Impairments	5	(35)	(1)
Foreign exchange loss		(11)	(1)
Change in mark-to-market valuations on investments held for trading		(20)	–
Other expense – net		–	(3)
Other expense[1]		**(66)**	**(5)**

[1] Consists of a different breakdown of prior year balances to conform with current year presentation to show separately other income and expense items.

Note 5. Impairments

US$ million	Note	H1 2022	H1 2021
Property, plant and equipment	8	(6)	(1)
Receivables		(29)	–
Total		**(35)**	**(1)**

As part of a regular portfolio review, Viterra carries out an assessment of whether there is an indication of asset impairment or whether a previously recorded impairment may no longer be required. If indications of impairment exist, an impairment test is performed.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 5: Impairments continued…

2022

As at 30 June 2022, certain storage tanks in Viterra's Everi terminal in Ukraine with a carrying amount of $7 million have been partially destroyed due to hostile activities, resulting in an impairment of plant and equipment of $4 million; Viterra impaired receivables of $ 29 million in Ukraine (2021:nil) as it became unrecoverable; refer to note 1.

2021

No significant impairments were recognised during 2021.

Note 6. Interest expense

Interest expense for the period comprises the following:

US$ million	H1 2022	H1 2021
Capital market notes[1]	(38)	(6)
Revolving credit facility[1]	(29)	(21)
Lease obligations[1]	(21)	(16)
Other bank loans[1]	(51)	(54)
Other	(3)	(2)
Total	**(142)**	**(99)**

[1] Refer to note 14: Borrowings.

Note 7. Income taxes

The Group calculates income tax expense for the current period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of income are:

US$ million	H1 2022	H1 2021
Current income tax expense	(252)	(98)
Deferred income tax expense relating to origination and reversal of temporary differences	74	(64)
Total tax expense reported in the statement of income	**(178)**	**(162)**

Adjusting for a $15 million (2021: $21 million) income tax expense related to foreign currency translation effects, inflation corrections, movements in temporary differences and other adjustments, the income tax expense incurred in the six months ended 30 June 2022 would be $192 million (2021: income tax expense of $141 million) resulting in an adjusted effective tax rate of 26% (2021: adjusted effective tax rate of 24%).

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 8. Property, plant and equipment

US$ million	Note	Freehold land and buildings	Plant and equipment	Right-of-use assets – Freehold land and buildings	Right-of-use assets – Plant and equipment	Bearer plants	Total
Gross carrying amount:							
1 January 2022		854	4,853	294	1,373	127	7,501
Disposal of subsidiaries[1]		(23)	(72)	–	–	–	(95)
Additions		–	88	–	–	16	104
Additions of right-of-use assets		–	–	32	503	–	535
Disposals		(7)	(23)	(4)	(118)	1	(151)
Effect of foreign currency exchange movements		(14)	(72)	8	(11)	8	(81)
Other movements		(35)	(3)	–	–	–	(38)
30 June 2022		**775**	**4,771**	**330**	**1,747**	**152**	**7,775**
Accumulated depreciation and impairment:							
1 January 2022		302	1,927	70	729	58	3,086
Disposal of subsidiaries[1]		(22)	(71)	–	–	–	(93)
Depreciation		10	128	24	299	8	469
Impairment	5	–	6	–	–	–	6
Disposals		(4)	(21)	(4)	(118)	–	(147)
Effect of foreign currency exchange movements		(8)	(42)	2	(4)	3	(49)
30 June 2022		**278**	**1,927**	**92**	**906**	**69**	**3,272**
Net book value 30 June 2022		**497**	**2,844**	**238**	**841**	**83**	**4,503**
Net book value 31 December 2021		**552**	**2,926**	**224**	**644**	**69**	**4,415**

[1] Please refer to note 3 for disposed subsidiaries.

Plant and equipment includes expenditure for construction in progress of $246 million (2021: $227 million). Depreciation expenses included in cost of goods sold are $462 million (2021: $309 million) and in selling and administrative expenses $7 million (2021: $7 million). Property, plant and equipment with a carrying amount of $651 million (2021: $675 million) have been pledged to secure borrowings of the Group.

Leases

The Group leases various assets including land and buildings and plant and equipment. The net book value of obligations recognised under finance lease agreements amounts to $1,079 million (2021: $869 million).

The Group recognised $21 million (2021: $16 million) interest costs and $64 million income from subleasing right-of-use assets (2021: $28 million).

Disclosure of amounts recognised as lease liabilities in the statement of financial position are included in note 14, and future commitments are disclosed in note 18.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 9. Investments in associates and joint ventures

US$ million	as at 30.06 2022	as at 31.12 2021
1 January	396	389
Additions	2	3
Disposals[1]	(2)	(11)
Share of income from associates and joint ventures	8	28
Share of other comprehensive income from associates and joint ventures	(1)	–
Dividends received	(7)	(12)
Impairment	–	(1)
Total	**396**	**396**

[1] For further detail on the disposal of JV please refer to note 3.

Note 10. Advances and loans

US$ million	as at 30.06 2022	as at 31.12 2021
Financial assets at amortised cost		
Loans to associates	17	18
Other non-current receivables and loans	30	30
Non-financial instruments		
Advances repayable with product	11	9
Other non-current receivables	26	8
Total	**84**	**65**

The Group determines the expected credit loss of other non-current receivables and loans based on different scenarios of probability of default and expected loss applicable to each of the material underlying balances. The movement in loss allowance for financial assets classified at amortised cost is detailed below:

US$ million	as at 30.06 2022	as at 31.12 2021
1 January	10	4
Effect of foreign currency exchange movements	(1)	(2)
Charged during the period	–	8
Disposal of business	(2)	–
Total	**7**	**10**

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 11. Inventories

Total inventories of $8,098 million (2021: $8,340 million) are comprised of (a) $7,239 million (2021: $7,644 million) of inventories carried at fair value less costs of disposal and (b) $859 million (2021: $696 million) of inventories valued at the lower of cost or net realisable value.

Readily marketable inventories (RMI), comprising the core inventories which underpin and facilitate Viterra's marketing activities, represent inventories that, in Viterra's assessment, are readily convertible into cash in the short term due to their liquid nature, widely available markets, and the fact that price risk is covered either by a forward physical sale or a hedge transaction. Viterra regularly assesses the composition of these inventories and their applicability, relevance and availability to the marketing activities. As at 30 June 2022, $7,942 million (2021: $8,189 million) of inventories were considered readily marketable. This comprises $7,239 million (2021: $7,644 million) of inventories carried at fair value less costs of disposal and $702 million (2021: $545 million) carried at the lower of cost or net realisable value. Given the highly liquid nature of these inventories, which represent a significant share of current assets, the Group believes it is appropriate to consider them together with cash equivalents in analysing Group net debt levels and computing certain debt coverage ratios and credit trends.

Fair value of inventories is a Level 2 fair value measurement (see note 17) using observable market prices obtained from exchanges, traded reference indices, or market survey services adjusted for relevant location and quality differentials. There are no significant unobservable inputs in the fair value measurement of such inventories. A total amount of $15 million has been recognised during 2022 in respect of fair value change of inventory in Ukraine (2021:nil), refer to note 1.

Viterra has a number of dedicated financing facilities, which finance a portion of its inventories. In each case, the inventory has not been derecognised as the Group retains control of the inventory. The proceeds received are recognised as current borrowings (see note 14). As at 30 June 2022, the total amount of inventory secured under such facilities was $1,034 million (2021: $856 million) and proceeds received and classified as current borrowings amounted to $787 million (2021: $734 million).

Note 12. Accounts receivable

US$ million	as at 30.06 2022	as at 31.12 2021
Financial assets at amortised cost		
Trade receivables[1]	1,935	1,640
Margin calls paid	343	375
Associated companies[1]	19	20
Other receivables[2]	46	87
Non-financial instruments		
Advances repayable with product	329	130
Prepaid expenses	59	169
Other tax and related receivables	432	483
Total	**3,163**	**2,904**

[1] Collectively referred to as receivables presented net of allowance for doubtful debts.
[2] Includes loans receivable in the amount of $15 million (2021: $3 million), present net of loss allowance.

Viterra has a number of dedicated financing facilities, which finance a portion of its receivables. The receivables have not been derecognised, as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as current borrowings (see note 14). As at 30 June 2022, the total amount of trade receivables secured was $471 million (2021: $393 million) and proceeds received and classified as current borrowings amounted to $273 million (2021: $353 million).

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 12: Accounts receivable continued...

The movement in the loss allowance is detailed below:

US$ million	as at 30.06 2022	as at 31.12 2021
1 January	118	91
Released during the period	(23)	(18)
Charged during the period	43	54
Utilised during the period	(15)	(9)
Total	**123**	**118**

Note 13. Cash and cash equivalents

US$ million	as at 30.06 2022	as at 31.12 2021
Bank and cash on hand	1,050	426
Deposits and treasury bills	34	49
Total	**1,084**	**475**

Restricted cash on hand as at 30 June 2022 amounted to $1 million (2021: $2 million).

Note 14. Borrowings

US$ million	Notes	as at 30.06 2022	as at 31.12 2021
Non-current borrowings			
Capital market notes[1]		3,166	2,543
Revolving credit facility[2]		1,247	1,091
Lease liabilities		629	530
Other bank loans		278	273
Total non-current borrowings		**5,320**	**4,437**
Current borrowings			
Secured inventory/receivables facilities	11,12	1,059	1,087
Lease liabilities		486	373
Other bank loans[3]		2,691	3,056
Total current borrowings		**4,236**	**4,516**

[1] Includes capitalised issuance costs of $3 million (2021: $13 million).
[2] Includes capitalised issuance costs of $20 million (2021: $2 million).
[3] Comprises various uncommitted and unsecured bilateral bank credit facilities and other financings.

The capital market notes comprise a $450 million and a $300 million new coupon bonds issued in April 2022. The first tranche of $450 million carries a 4.9% coupon with maturity in April 2027 and the second tranche of $300 million carries a 5.25% coupon with maturity in April 2032. Interest payments are due semi-annually in April and October of each year, commencing in October 2022. Viterra applied fair value hedge accounting to account for the hedge of interest rate risks on these two bonds; refer to note 17.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 14: Borrowings continued...

The details of outstanding borrowings and the carrying amounts as at 30 June 2022 are outlined below:

US$ million	Maturity	as at 30.06 2022	as at 31.12 2021
USD 450 million 4.9% coupon bonds	April 2027	441	–
USD 300 million 5.25% coupon bonds	April 2032	288	–
USD 600 million 2.00% coupon bonds	April 2026	596	597
USD 600 million 3.20% coupon bonds	April 2031	595	610
EUR 500 million 0.375% coupon bonds	September 2025	521	564
EUR 700 million 1.00% coupon bonds	September 2028	725	772
Total capital market notes		**3,166**	**2,543**

Other non-current bank loans include, among others, a loan with an outstanding balance of $137 million (2021: $171 million) at an interest rate of LIBOR +453 basis points (bps), a facility in Hungary with an outstanding balance of $50 million (2021: $46 million) and wheat milling and port assets in Brazil of $34 million (2021: $14 million) denominated in USD and Brazilian Real (BRL) and bearing various fixed interest rates.

The outstanding secured inventory/receivables facilities of $1,059 million (2021: $1,087 million) comprise an inventory borrowing base facility of $589 million (2021: 617 million) at an accumulated interest of BBSY +75 basis points, and a borrowing base facility of $470 million (2021: $470 million) at an accumulated interest rate of US$ LIBOR +80 basis points, as at 30 June 2022.

Revolving credit facility

2022

On 26 January 2022, Viterra signed a committed acquisition financing facility of $1.7 billion for the agreed purchase price and a portion of the assumed working capital of Gavilon (note 18). In April 2022, the available commitments under this facility were reduced to $950 million. The purpose of the bridge facility is to provide a committed source of financing for the Gavilon acquisition. Proceeds from this bridge facility are not available for general working capital purposes.

On 10 May 2022, Viterra signed a new $1 billion three-year revolving credit facility agreement with two twelve-month extension options at the lender's discretion. This facility refinanced the $570 million revolving credit facility signed in May 2021. Funds drawn under the new facility bear interest at compounded SOFR +70 basis points per annum.

On 10 May 2022, Viterra signed a new $4.1 billion one-year revolving credit facility agreement with a one-year borrower's term-out option (to May 2024), and a one-year extension option at the lender's discretion. This facility refinanced the $3.515 billion revolving credit facility signed in May 2021. Funds drawn under the new facility bear interest at compounded SOFR +60 basis points per annum.

2021

On 12 May 2021, Viterra signed a $3.515 billion one-year revolving credit facility with a twelve-month borrower's term-out option (to May 2023), and a twelve-month lender's extension option. This facility refinanced the $3.040 billion revolving credit facility signed in 2020.

On 12 May 2021, Viterra signed a $570 million three-year revolving credit facility with two one-year extension options at the lender's discretion.

Funds drawn under the new facilities bear interest at USD LIBOR plus a margin of 65 and 70 basis points per annum, respectively.

On 21 April 2021, Viterra cancelled the €345 million one-year bridge revolving credit facility in accordance with the revolving facility agreement.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 14: Borrowings continued...

On 10 December 2021, Viterra signed a new $575 million one-year revolving credit facility agreement, with two-twelve month lender's extension options. Funds drawn under the facility bear interest at US$ LIBOR plus a margin of 80 basis points per annum. This facility refinanced the $300 million revolving credit facility signed in December 2020. No funds were drawn under this facility as at 31 December 2021.

Reconciliation of cash flow to movement in financing liabilities

US$ million	H1 2022	H2 2021	H1 2021
Cash related movements in borrowings[1]			
Proceeds from issuance of capital market notes	744	1,401	1,189
Proceeds from/(repayment of) other non-current bank facilities	121	(945)	105
(Repayment of)/proceeds from current borrowings – net	(303)	915	(855)
Repayments for lease liabilities	(317)	(281)	(167)
	245	**1,090**	**272**
Non-cash related movements in borrowings			
Derecognition of loans as part of disposals	(20)	–	–
Fair value adjustment to fair value hedged borrowings	(14)	–	–
Foreign exchange movements	(153)	(103)	(3)
Change in lease liabilities	533	282	476
Other non-cash movements	12	6	4
	358	**185**	**477**
Increase in borrowings for the period	**603**	**1,275**	**749**
Total borrowings – opening	8,953	7,678	6,929
Total borrowings – closing	**9,556**	**8,953**	**7,678**

[1] See consolidated statement of cash flows.

Note 15. Accounts payable

US$ million	as at 30.06 2022	as at 31.12 2021
Financial liabilities at amortised cost		
Trade payables	3,412	3,039
Margin calls received	39	1
Associated companies	37	11
Other payables and accrued liabilities	143	178
Non-financial instruments		
Advances settled in product	190	61
Payables to employee	100	114
Other tax and related payables	51	48
Total	**3,972**	**3,452**

Trade payables are obligations to pay for goods and services. Trade payables typically have maturities up to 90 days depending on the type of material and the geographic area in which the purchase transaction occurs and the agreed terms. The carrying value of trade payables approximates fair value.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 16. Financial instruments

Fair value of financial instruments

The following tables present the carrying values and fair values of Viterra's financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values.

Financial assets and liabilities are presented by class in the table below at their carrying values, which approximate the fair values with the exception of $3,166 million of capital market notes, the fair value of which at 30 June 2022 was $2,879 million based on observable market prices applied to the borrowing portfolio (a Level 1 fair value measurement).

US$ million **As at 30 June 2022**	Notes	Amortised cost	FVtPL[1]	FVtOCI[2]	Total
Assets					
Other investments[3]		–	9	11	20
Advances and loans	10	47	–	–	47
Accounts receivable	12	2,343	–	–	2,343
Other financial assets	17	–	2,497	–	2,497
Cash and cash equivalents[4]	13	1,084	–	–	1,084
Total financial assets		**3,474**	**2,506**	**11**	**5,991**
Liabilities					
Borrowings	14	9,556	–	–	9,556
Accounts payable	15	3,631	–	–	3,631
Other financial liabilities	17	–	1,678	–	1,678
Total financial liabilities		**13,187**	**1,678**	**–**	**14,865**

[1] FVtPL – Fair value through profit and loss.
[2] FVtOCI – Fair value through other comprehensive income. Gain on equity instruments recognised in other comprehensive income in 2022 comprised $nil.
[3] Other investments of $13 million are classified as Level 1 measured using quoted market prices with the remaining balance of $7 million being investments in private companies, classified as Level 2 measured using discounted cash flow models.
[4] Classified as Level 1, measured using quoted exchange rates and/or market prices.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 16: Financial instruments continued…

US$ million As at 31 December 2021	Notes	Amortised cost	FVtPL[1]	FVtOCI[2]	Total
Assets					
Other investments[3]		–	30	10	40
Advances and loans	10	48	–	–	48
Accounts receivable	12	2,122	–	–	2,122
Other financial assets	17	–	1,409	–	1,409
Cash and cash equivalents[4]	13	475	–	–	475
Total financial assets		**2,645**	**1,439**	**10**	**4,094**
Liabilities					
Borrowings	14	8,953	–	–	8,953
Accounts payable	15	3,229	–	–	3,229
Other financial liabilities	17	–	1,435	–	1,435
Total financial liabilities		**12,182**	**1,435**	**–**	**13,617**

[1] FVtPL – Fair value through profit and loss.
[2] FVtOCI – Fair value through other comprehensive income. Gain on equity instruments recognised in other comprehensive income in 2021 comprised $nil.
[3] Other investments of $34 million are classified as Level 1 measured using quoted market prices with the remaining balance of $6 million being investments in private companies, classified as Level 2 measured using discounted cash flow models.
[4] Classified as Level 1, measured using quoted exchange rates and/or market prices.

Note 17. Fair value measurements

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. Viterra classifies the fair values of its financial instruments into a three-level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Viterra can assess at the measurement date; or

Level 2: Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or

Level 3: Unobservable inputs for the assets or liabilities, requiring Viterra to make market-based assumptions.

Level 1 classifications include futures and options that are exchange traded, whereas Level 2 classifications primarily include swaps and physical forward transactions, which derive their fair value primarily from exchange quotes and readily observable broker quotes.

Viterra's policy is that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

The following tables show the fair values of the derivative financial instruments including trade related financial and physical forward purchase and sale commitments by type of contract and non-current other financial liabilities as at 30 June 2022 and 31 December 2021. Other assets and liabilities which are measured at fair value on a recurring basis are biological assets,

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 17: Fair value measurements continued…

marketing inventories, other investments, and cash and cash equivalents. Refer to notes 11, 13 and 16 for disclosure in connection with these fair value measurements. There are no non-recurring fair value measurements.

Other financial assets

US$ million As at 30 June 2022	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	293	–	–	293
Options	27	–	–	27
Physical forwards	–	1,932	–	1,932
Financial contracts				
Foreign currency	1	244	–	245
Total	**321**	**2,176**	**–**	**2,497**

Other financial liabilities

US$ million As at 30 June 2022	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	231	–	–	231
Options	1	–	–	1
Physical forwards	–	1,076	–	1,076
Financial contracts				
Swaps	–	176	–	176
Foreign currency	2	192	–	194
Total	**234**	**1,444**	**–**	**1,678**

Other financial assets

US$ million As at 31 December 2021	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	146	–	–	146
Options	8	–	–	8
Physical forwards	–	1,144	–	1,144
Financial contracts				
Foreign currency	1	110	–	111
Total	**155**	**1,254**	**–**	**1,409**

Other financial liabilities

US$ million As at 31 December 2021	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	250	–	–	250
Options	5	–	–	5
Physical forwards	–	1,001	–	1,001
Financial contracts				
Swaps	–	66	–	66
Foreign currency	3	110	–	113
Total	**258**	**1,177**	**–**	**1,435**

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 17: Fair value measurements continued...

During the period no amounts were transferred between Level 1 and Level 2 of the fair value hierarchy and no amounts were transferred into or out of Level 3 of the fair value hierarchy for either other financial assets or other financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation techniques and inputs used.

Fair value of financial assets/financial liabilities
US$ million

			as at 30.06 2022	as at 31.12 2021
Futures – Level 1		Assets Liabilities	293 (231)	146 (250)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Options – Level 1		Assets Liabilities	27 (1)	8 (5)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Physical forwards – Level 2		Assets Liabilities	1,932 (1,076)	1,144 (1,001)
Valuation techniques and key inputs:	Discounted cash flow model Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, such as history of non-performance, collateral held and current market developments, as required.			
Swaps – Level 2		Assets Liabilities	– (176)	– (66)
Valuation techniques and key inputs:	Discounted cash flow model Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Foreign currency – Level 1		Assets Liabilities	1 (2)	1 (3)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Foreign currency – Level 2		Assets Liabilities	244 (192)	110 (110)
Valuation techniques and key inputs:	Discounted cash flow model Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 18. Future commitments

Capital expenditure for the acquisition of property, plant and equipment is generally funded through the cash flow generated by the respective industrial entities. As at 30 June 2022, $59 million (2021: $48 million), of which 82% (2021: 94%) relates to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment.

Total future commitments relating to leases are aged as follows:

US$ million	2022	2021
Within 1 year	198	248
Between 2 and 5 years	233	192
After 5 years	1	–
Total	**432**	**440**

As part of Viterra's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either (a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or (b) the guarantor by way of issuing a bank guarantee accepting responsibility for Viterra's contractual obligations. In addition, Viterra is required to post pension guarantees in respect of its future obligations. As at 30 June 2022, $298 million (2021: $394 million) of such commitments have been issued on behalf of Viterra, which will generally be settled simultaneously with the payment for such commodity or rehabilitation and pension obligation.

Acquisition of Gavilon

On 26 January 2022, Viterra announced it has entered into a stock purchase agreement with Marubeni America Corporation, a wholly owned subsidiary of Marubeni Corporation, to acquire the grain and ingredients business of Gavilon Agriculture Investment, Inc. (Gavilon). The agreed purchase price for the acquisition of Gavilon is $1.125 billion, plus working capital, and is subject to certain customary purchase price adjustments.

Gavilon is based in Omaha, Nebraska, US, and originates, stores and distributes grains and oilseeds, as well as feed and food ingredients, to food manufacturers, livestock producers, poultry processors, soybean processors and ethanol producers worldwide.

Gavilon's leading asset network is located in key growing areas across the United States, with access to major railroads, rivers and ports. It also has international operations in Mexico, South America, Europe and Asia. Funding for the agreed purchase price and a portion of the assumed working capital has been secured through the signing of a committed acquisition financing facility on 26 January 2022. Funding for the remainder of the working capital will be financed using proceeds from other financing facilities and cash on hand, including existing available undrawn committed credit lines amounting to approximately $5.45 billion as at 30 June 2022. The transaction is subject to customary closing and regulatory approvals and is expected to close in the second half of 2022.

Note 19. Contingent liabilities

The amount of corporate guarantees in favour of third parties as at 30 June 2022 was $18 million (2021: $22 million).

The Group is subject to various claims which arise in the ordinary course of business as detailed below. These contingent liabilities are reviewed on a regular basis and where practical an estimate is made of the potential financial impact on the Group. As at 30 June 2022 and 31 December 2021, the Group identified no material contingent liabilities.

Litigation

Certain legal proceedings, claims and unresolved disputes are pending against Viterra in respect of which the timing of resolution and potential outcome (including any future financial obligations) are uncertain and no liabilities have been recognised in relation to these matters.

At the current time, management does not consider that any of the pending legal proceedings, claims and unresolved disputes to which Viterra is a party is material, other than one legal action currently pending in Australia for which the Company is fully indemnified.

Regulatory matters

In March 2019, the Competition Commission of India visited the offices of the Group's business in India. Management currently understands this relates to suspected allegations of cartelisation in the years 2015 and 2016. While the Group believes the allegations have no grounds, the investigation is ongoing and the outcome is currently uncertain.

Environmental contingencies

Viterra's operations are subject to various environmental laws and regulations. Viterra is in material compliance with those laws and regulations. Viterra accrues for environmental contingencies when such contingencies are probable and reasonably estimable. Such accruals are adjusted as new information develops or circumstances change. Recoveries of environmental remediation costs from insurance companies and other parties are recorded as assets when the recoveries are virtually certain. At this time, Viterra is unaware of any material environmental incidents at its locations.

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

Note 19: Contingent liabilities continued...

Tax

Viterra is exposed to tax risks and uncertainty over tax treatments. Viterra assesses its tax treatments for all tax years open to audit based upon the latest information available. For those that are not expected to be accepted by tax authorities, the Group records its best estimate of these tax liabilities, including related interest charges. Viterra uses the most likely amount or expected value of the tax treatment in line with IFRIC 23. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. Whilst Viterra believes it has adequately provided for the outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved.

In May 2018, the Australian Tax Office (ATO) commenced an audit of Glencore plc's Australian financing arrangements covering the period 2012 to 2016. As part of these audits, notices were also issued to the current parent company of Viterra's Australian tax group, Viterra Australia Holdings Pty Ltd (VAH, formerly known as Glencore Grain Holdings Australia Pty Ltd). The transactions in VAH during the period under review are material. However, based on the information available, management considers the tax position reflected in VAH's tax filings acceptable.

In July 2018, the Canada Revenue Agency (CRA) commenced an audit of Viterra Canada Inc.'s tax return for the fiscal year 2014. Following the completion of the audit, in December 2020 the CRA issued a material reassessment for which the Company has not recognised a provision. Although inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws, the Company is of the view that no significant changes are required to be made to its tax position.

Note 20. Subsequent events

No material subsequent events occurred until the date these financial statements were authorised for issue.

Disclaimer

This document contains statements that are, or may be deemed to be, 'forward-looking statements' which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof, such as 'outlook', 'plans', 'expects' or 'does not expect', 'is expected', 'continues', 'assumes', 'is subject to', 'budget', 'scheduled', 'estimates', 'aims', 'forecasts', 'risks', 'intends', 'positioned', 'predicts', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words or comparable terminology and phrases or statements that certain actions, events or results 'may', 'could', 'should', 'shall', 'would', 'might' or 'will' be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy. By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Viterra's control. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results.

Neither Viterra, nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which only speak as of the date of this document. Other than in accordance with its legal or regulatory obligations, Viterra is not under any obligation and Viterra and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Viterra since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

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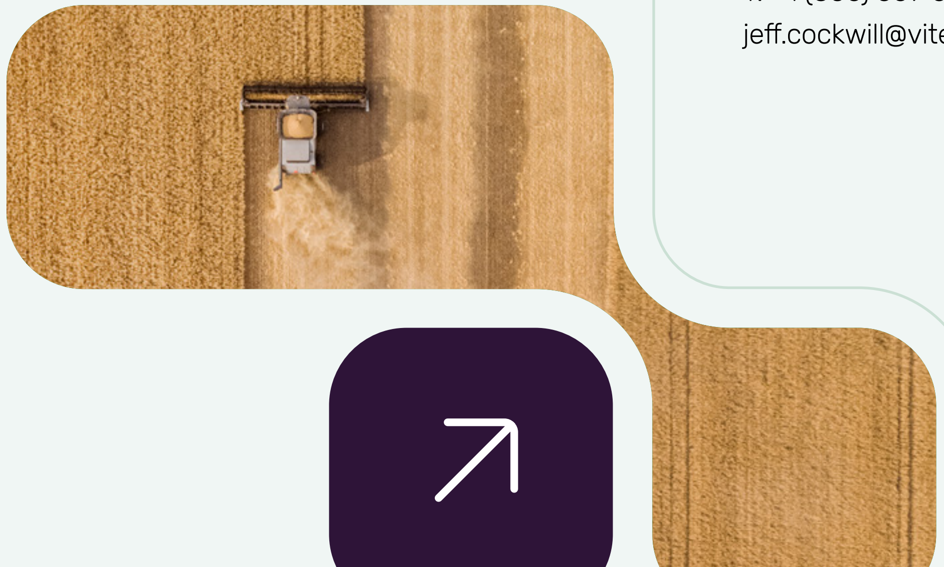
The companies in which Viterra Limited directly and indirectly has an interest are separate and distinct legal entities. In this document, 'Viterra', 'the Group' and 'Group' are used for convenience only where references are made to Viterra Limited and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words 'we', 'us' and 'our' are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.



Enquiries

investor.relations@viterra.com

Media
T: +1 (306) 569 6673
jeff.cockwill@viterra.com

Bringing producers and consumers together in a **world-leading agriculture network**

Find out more at
viterra.com