



**ASTARTA**  
Holding N.V.

# INTERIM REPORT

of the Board of Directors for  
the nine months ended 30  
September 2017

## Overview

During the reporting period, ASTARTA increased consolidated revenues by 61% to EUR 349 million. Strong exports generated 61% of total sales. The sugar segment was the main contributor to higher revenues on solid sales volumes including record high exports.

At the same time, higher selling volumes of sugar and crops pulled up cost of sales and S&D expenses causing 13% correction of EBITDA to EUR 112 million. As the Company benefited from a decrease in finance cost on downsized leverage and stability of the Ukrainian Hryvnia, net profit reduced by just 6% to EUR 74 million. The balance sheet of the company remains strong with Net Debt/EBITDA (LTM) at 0.8 and Debt/Equity at 0.3.

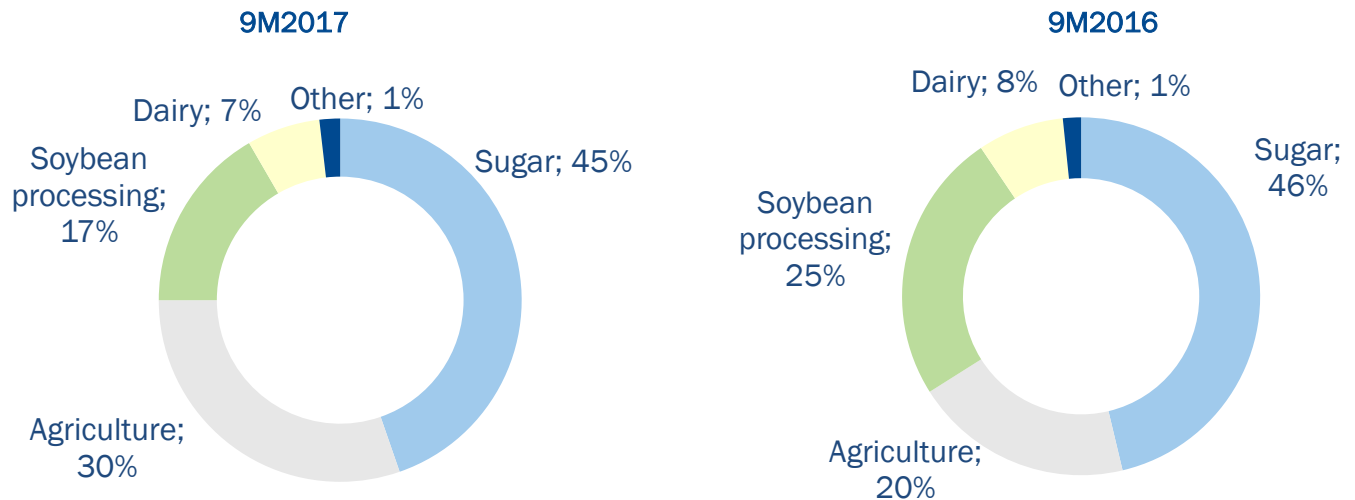
Over the first nine months of the year, ASTARTA invested EUR 41 million in the modernization of sugar plants, acquisition of agricultural machinery, and expansion of silo infrastructure. Supported by international financial institutions like EBRD, FMO and EIB, ASTARTA intends to further modernize its sugar production and expand grain storage network capacity by about 500 000 tons within next years.

The autumn harvest and sugar production campaign is running smoothly. As of the date of publication, over 260 000 tons of white sugar were produced. With about 80% of sugar beet and 65% of corn already collected, we see a correction of average yields and total tonnage harvested this year caused by dryness in the central part of Ukraine this year. Still favorable weather in the western part of the country supported advanced performance of crops in ASTARTA's farms in the region and overall results for the Group.

As sugar and crop prices continue to be subdued, efficiency at all stages of operations and cost controls remain a focus of management. In all business segments, we aim to achieve competitive production costs and high quality of produce to compete in the current tough soft commodities markets.

## Key financial highlights

### Revenues structure



### Key financial results

(in EUR thousands)	9M 2017	9M 2016
Revenue	348 738	216 478
Cost of sales	(261 005)	(144 176)
Revaluation of biological assets	40 956	46 634
Gross profit	128 689	118 936
<i>Gross profit margin</i>	37%	55%
EBIT	84 142	108 026
<i>EBIT margin</i>	24%	50%
EBITDA	111 673	129 006
<i>EBITDA margin</i>	32%	60%
Financial costs including FOREX	(8 534)	(30 154)
Net profit (loss)	74 109	78 617
<i>Net profit (loss) margin</i>	21%	36%
<i>Cash flows provided by operating activities</i>	71 159	54 902
<i>Cash flows used in investing activities</i>	(40 948)	(12 259)
<i>Cash flows used in financing activities</i>	(15 512)	(34 645)
NET DEBT	110 267	155 641
EBITDA (LTM)	134 811	151 582
NET DEBT/EBITDA (LTM)	0.8	1.0
DEBT/EQUITY	0.3	0.5

## The sugar segment

Revenues of this segment, the largest contributor to the consolidated sales, grew to EUR 156 million as a combination of 40% increase in selling volumes as well as 10% gain in sugar price. Export sales of sugar amounted to 143 000 tons, which is over 3x times higher compared to the respective period a year ago.

### *Sugar sales and price performance*

	9M2017	9M2016
Sugar sales volumes, ths tons	333	237
Price, EUR/t	451	410

For the current production season, ASTARTA planted more than 46 500 hectares of sugar beet. We expect that the third parties will deliver additional beet from around another 23 000 hectares.

In late August and September, ASTARTA started a new sugar production campaign with all of its eight sugar plants. As of the date of publication, white sugar production exceeded 260 000 tons. We expect that due to a good harvest and availability of sugar beet in the western part of Ukraine some of our sugar plants would have extended processing period in this season.

As of the date of publication, domestic sugar production in Ukraine stood at about 1,1 million tons. The market expects total volume of production in the season to be at about 2 million tons, the same level as of the previous year.

In the 2017/2018 marketing year the global sugar market is forecasted to return to a surplus condition putting pressure on prices. International white sugar quotes have fallen by over 30% since the beginning of the year. Domestic sugar price in Ukraine is also following a downward trend. At the same time, largely depleted inventories of sugar in Ukraine and earlier contracted export deliveries provide noticeable support for the local price.

## The agricultural segment

The segment's revenues amounted to EUR 106 million, demonstrating growth of 147%. Sales volumes of crops increased by 160% to over 662 000 tons. Over 90% of total selling volumes were exported.

### *Key crop sales and price performance*

	9M2017	9M2017	9M2016	9M2016
	<i>thousand tons</i>	<i>EUR/t</i>	<i>thousand tons</i>	<i>EUR/t</i>
Wheat	303	144	57	126
Corn	295	146	160	149
Barley	13	118	7	141
Sunflower	33	325	25	323

As of the date of publication, ASTARTA continues to harvest technical crops. To date, about 65% of corn and 80% of sugar beet are already harvested and stored. This season, adverse weather conditions in the Poltava region of Ukraine affected many crops, while in the west growing conditions were optimal. Current estimation of average yields of soybean is over 2.1 tons per hectare, corn – 7 tons per hectare, sugar beet – 50 tons per hectare, and sunflower – 2.3 tons per hectare.

For the 2018 harvest, ASTARTA planted about 52 000 hectares of winter wheat. Weather conditions are currently optimal for its vegetation process.

Over the reporting period, international crop markets remained in lower range. On average, price just slightly improved for wheat and remained flattish for corn. On a positive side for producers, within next twelve months global inventories of grains are expected to drop for the first time in five years, largely because of a reduction in corn. Same time, according to the estimations of IGC, a fresh peak is predicted for grain consumption, following advances in food, feed, and industrial demand.

## The soybean processing segment

The soybean processing segment generated revenues of EUR 58 million, that is 9% higher y-o-y. Sales of soybean oil increased by 15% y-o-y to over 32 000 tons, while meal sales volumes demonstrated a minor decrease of -1% to around 106 000 tons. The selling price for both products improved by 2% and 6% respectively.

### *Soybean product sales and price performance*

	9M2017	9M2017	9M2016	9M2016
	<i>thousand tons</i>	<i>EUR/t</i>	<i>thousand tons</i>	<i>EUR/t</i>
Soybean oil	32	699	28	687
Soybean meal	106	331	107	313
Soybean husk	7	90	6	93

During the reporting period, the Globyno soybean processing plant crushed over 155 000 tons of soybeans and produced c. 110 000 tons of meal, 28 000 tons of oil, and 8 500 tons of husk. ASTARTA remains the leading soybean processor in the country, with a 21% share.

## The dairy segment

Segment revenues climbed to EUR 23 million (+35%). The increase was driven mainly by higher sales prices (+32%) on premium quality of produce and market conjuncture. Sales volumes of milk increased by 1% to nearly 78 000 tons. Over the last nine months of 2017 ASTARTA dairy farms produced over 81 000 tons of milk that is 1% higher y-o-y.

Average raw milk prices in Ukraine rose by 13% y-o-y following a persistent decline in milk production (another -1% for the nine months of 2017) and recovering international market of processed milk products.

### *Milk sales and price performance*

	9M2017	9M2016
Milk sales volumes, thousand tons	78	77
Price, EUR/t	259	195

## Statement of the Board of Directors

Representation of the Board of Directors on compliance of the condensed consolidated interim financial statements.

The Board of Directors of ASTARTA Holding N.V. hereby acknowledge that, to the best of their knowledge, the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ending 30 September 2017 and the comparable information were prepared in accordance with applicable accounting standards, and that they give a true, fair, and clear view of the assets, financial standing, and financial results of ASTARTA Holding N.V., and that the interim statement for the nine months ending 30 September 2017 gives a true view of the developments, achievements, and situation of the Company.

7 November 2017

Amsterdam, the Netherlands

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

H.A.Dahl (signed)

V. Gladkyi (signed)

M.M.L.J. van Campen (signed)

W.T. Bartoszewski (signed)

Disclaimer regarding forward-looking statements:

Certain statements contained in this interim report may constitute forecasts and estimates. These statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ from anticipated results expressed or implied by these forward-looking statements.

**ASTARTA HOLDING N.V.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2017**



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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		7 501 459	7 218 433	5 801 537
Intangible assets		79 340	82 453	104 822
Biological assets	5	866 966	432 310	430 695
Value added tax		467 595	157 275	256 422
Financial instruments available-for-sale		2	60	9
Long-term receivables and prepayments	7	175 712	68 247	51 928
		<b>9 091 074</b>	<b>7 958 778</b>	<b>6 645 413</b>
<b>Current assets</b>				
Inventories	6	4 416 992	6 327 282	4 460 275
Biological assets	5	2 611 496	390 503	2 078 069
Trade accounts receivable	7	348 918	354 405	237 859
Other accounts receivable and prepayments	7	983 638	941 470	1 154 035
Current income tax		21 315	4 833	5 695
Short-term cash deposits		60 211	37 674	94 454
Cash and cash equivalents		741 426	315 896	712 108
		<b>9 183 996</b>	<b>8 372 063</b>	<b>8 742 495</b>
<b>Total assets</b>		<b>18 275 070</b>	<b>16 330 841</b>	<b>15 387 908</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		1 663	1 663	1 663
Additional paid-in capital		369 798	369 798	369 798
Retained earnings		8 231 802	5 653 075	5 411 841
Revaluation surplus		3 378 991	3 789 642	2 531 846
Treasury shares		(95 934)	(95 934)	(95 940)
Currency translation reserve		408 919	319 962	335 571
<b>Total equity attributable to equity holders of the parent company</b>		<b>12 295 239</b>	<b>10 038 206</b>	<b>8 554 779</b>
Non-controlling interests in joint stock companies		-	-	204
<b>Total equity</b>		<b>12 295 239</b>	<b>10 038 206</b>	<b>8 554 983</b>
<b>Non-current liabilities</b>				
Loans and borrowings		1 341 768	1 369 904	1 504 959
Non-controlling interests in limited liability companies		272 560	252 086	219 243
Other long-term liabilities		3 544	3 421	5 750
Deferred tax liabilities		453 854	486 393	348 571
		<b>2 071 726</b>	<b>2 111 804</b>	<b>2 078 523</b>
<b>Current liabilities</b>				
Loans and borrowings		1 917 911	1 886 061	2 555 233
Current portion of long-term loans and borrowings		986 325	1 243 693	1 271 776
Trade accounts payable		288 811	182 399	243 587
Current income tax		23 989	28 625	3 791
Other liabilities and accounts payable	8	691 069	840 053	680 015
		<b>3 908 105</b>	<b>4 180 831</b>	<b>4 754 402</b>
<b>Total equity and liabilities</b>		<b>18 275 070</b>	<b>16 330 841</b>	<b>15 387 908</b>

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

<i>(in thousands of Euros)</i>	Notes	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		240 150	253 968	199 532
Intangible assets		2 541	2 901	3 606
Biological assets	5	27 755	15 209	14 813
Value added tax		14 969	5 533	8 819
Financial instruments available-for-sale		-	2	-
Long-term receivables and prepayments	7	5 625	2 401	1 786
		<b>291 040</b>	<b>280 014</b>	<b>228 556</b>
<b>Current assets</b>				
Inventories	6	141 406	222 615	153 403
Biological assets	5	83 604	13 739	71 471
Trade accounts receivable	7	11 170	12 469	8 180
Other accounts receivable and prepayments	7	31 491	33 124	39 690
Current income tax		682	170	196
Short-term cash deposits		1 928	1 325	3 249
Cash and cash equivalents		23 736	11 114	24 492
		<b>294 017</b>	<b>294 556</b>	<b>300 681</b>
<b>Total assets</b>		<b>585 057</b>	<b>574 570</b>	<b>529 237</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		250	250	250
Additional paid-in capital		55 638	55 638	55 638
Retained earnings		467 027	376 304	351 400
Revaluation surplus		167 057	183 025	155 120
Treasury shares		(4 801)	(4 801)	(4 801)
Currency translation reserve		(291 551)	(257 241)	(263 382)
<b>Total equity attributable to equity holders of the parent company</b>		<b>393 620</b>	<b>353 175</b>	<b>294 225</b>
Non-controlling interests in joint stock companies		-	-	7
<b>Total equity</b>		<b>393 620</b>	<b>353 175</b>	<b>294 232</b>
<b>Non-current liabilities</b>				
Loans and borrowings		42 955	48 198	51 760
Non-controlling interests in limited liability companies		8 726	8 869	7 540
Other long-term liabilities		113	121	198
Deferred tax liabilities		14 530	17 112	11 988
		<b>66 324</b>	<b>74 300</b>	<b>71 486</b>
<b>Current liabilities</b>				
Loans and borrowings		61 400	66 358	87 882
Current portion of long-term loans and borrowings		31 576	43 757	43 740
Trade accounts payable		9 246	6 417	8 378
Current income tax		768	1 007	130
Other liabilities and accounts payable	8	22 123	29 556	23 389
		<b>125 113</b>	<b>147 095</b>	<b>163 519</b>
<b>Total equity and liabilities</b>		<b>585 057</b>	<b>574 570</b>	<b>529 237</b>

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

**CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017**

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2017 (unaudited)	2016 (unaudited)
<b>Revenues</b>	9	<b>2 989 802</b>	1 947 328
Cost of revenues	10	<b>(2 335 617)</b>	(1 328 755)
Changes in fair value of biological assets and agricultural produce		<b>(61 861)</b>	44 101
<b>Gross profit</b>		<b>592 324</b>	662 674
Other operating income	11	<b>27 714</b>	11 126
General and administrative expense	12	<b>(157 425)</b>	(141 143)
Selling and distribution expense	13	<b>(210 517)</b>	(115 307)
Other operating expense	14	<b>(60 554)</b>	(58 707)
<b>Profit from operations</b>		<b>191 542</b>	358 643
Finance costs	15	<b>(130 730)</b>	(316 990)
Finance income	15	<b>3 513</b>	2 048
Other income		<b>999</b>	1 048
Gain on acquisition of subsidiaries	4	-	25 910
<b>Profit before tax</b>		<b>65 324</b>	70 659
Income tax (expense) benefit		<b>(18 421)</b>	24 834
<b>Net profit (loss)</b>		<b>46 903</b>	95 493
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		-	(14)
Equity holders of the parent company		<b>46 903</b>	95 507
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24 405</b>	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		<b>1,92</b>	3,91

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**CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017**

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2017</b>	<b>2016</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenues</b>	9	<b>98 421</b>	68 698
Cost of revenues	10	<b>(76 886)</b>	(46 876)
Changes in fair value of biological assets and agricultural produce		<b>(2 036)</b>	1 556
<b>Gross profit</b>		<b>19 499</b>	23 378
Other operating income	11	<b>907</b>	393
General and administrative expense	12	<b>(5 182)</b>	(4 979)
Selling and distribution expense	13	<b>(6 930)</b>	(4 068)
Other operating expense	14	<b>(1 994)</b>	(2 069)
<b>Profit from operations</b>		<b>6 300</b>	12 655
Finance costs	15	<b>(4 302)</b>	(11 183)
Finance income	15	<b>114</b>	72
Other income		<b>33</b>	37
Gain on acquisition of subsidiaries	4	<b>-</b>	940
<b>Profit before tax</b>		<b>2 145</b>	2 521
Income tax (expense) benefit		<b>(606)</b>	876
<b>Net profit (loss)</b>		<b>1 539</b>	3 397
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>-</b>	-
Equity holders of the parent company		<b>1 539</b>	3 397
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24 405</b>	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		<b>0,06</b>	0,14

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**CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2017 (unaudited)	2016 (unaudited)
<b>Revenues</b>	9	<b>10 227 280</b>	6 147 515
Cost of revenues	10	(7 659 575)	(4 093 849)
Changes in fair value of biological assets and agricultural produce		<b>1 185 158</b>	1 328 459
<b>Gross profit</b>		<b>3 752 863</b>	3 382 125
Other operating income	11	<b>55 967</b>	590 642
General and administrative expense	12	(496 935)	(422 426)
Selling and distribution expense	13	(662 408)	(353 844)
Other operating expense	14	(204 462)	(124 495)
<b>Profit from operations</b>		<b>2 445 025</b>	3 072 002
Finance costs	15	(261 891)	(869 846)
Finance income	15	<b>9 142</b>	16 155
Other income		<b>3 130</b>	5 173
Gain on acquisition of subsidiaries	4	-	34 048
<b>Profit before tax</b>		<b>2 195 406</b>	2 257 532
Income tax (expense) benefit		(47 141)	(19 392)
<b>Net profit (loss)</b>		<b>2 148 265</b>	2 238 140
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		-	(76)
Equity holders of the parent company		<b>2 148 265</b>	2 238 216
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24 405</b>	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		<b>88,03</b>	91,71

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**CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2017</b>	<b>2016</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenues</b>	9	<b>348 738</b>	216 478
Cost of revenues	10	<b>(261 005)</b>	(144 176)
Changes in fair value of biological assets and agricultural produce		<b>40 956</b>	46 634
<b>Gross profit</b>		<b>128 689</b>	118 936
Other operating income	11	<b>1 881</b>	20 821
General and administrative expense	12	<b>(16 905)</b>	(14 878)
Selling and distribution expense	13	<b>(22 562)</b>	(12 471)
Other operating expense	14	<b>(6 961)</b>	(4 382)
<b>Profit from operations</b>		<b>84 142</b>	108 026
Finance costs	15	<b>(8 843)</b>	(30 725)
Finance income	15	<b>309</b>	571
Other income		<b>106</b>	184
Gain on acquisition of subsidiaries	4	<b>-</b>	1 230
<b>Profit before tax</b>		<b>75 714</b>	79 286
Income tax (expense) benefit		<b>(1 605)</b>	(669)
<b>Net profit (loss)</b>		<b>74 109</b>	78 617
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>-</b>	(3)
Equity holders of the parent company		<b>74 109</b>	78 620
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24 405</b>	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		<b>3,04</b>	3,22

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

<i>(in thousands of Ukrainian hryvnias)</i>	2017 <b>(unaudited)</b>	2016 <b>(unaudited)</b>
<b>Profit for the period</b>	<b>2 148 265</b>	<b>2 238 140</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	<b>102 517</b>	29 028
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>102 517</b>	<b>29 028</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
	<b>14 144</b>	-
Exchange difference on transactions of foreign operations (the parent company)	<b>(13 560)</b>	(13 004)
Income tax effect	-	-
Revaluation of property, plant and equipment	-	(29)
Income tax effect	-	-
	-	(29)
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	<b>6 911</b>	(5 002)
Income tax effect	<b>(1 244)</b>	900
	<b>5 667</b>	<b>(4 102)</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>(7 893)</b>	<b>(17 135)</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>2 242 888</b>	<b>2 250 033</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	-	(203)
Equity holders of the parent	<b>2 242 888</b>	<b>2 250 236</b>
<b>Total comprehensive income (loss) as at 30 September</b>	<b>2 242 888</b>	<b>2 250 033</b>

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

<i>(in thousands of Euros)</i>	2017 <b>(unaudited)</b>	2016 <b>(unaudited)</b>
<b>Profit for the period</b>	<b>74 109</b>	<b>78 617</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	<b>(34 311)</b>	(24 676)
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(34 311)</b>	(24 676)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
	<b>453</b>	-
Exchange difference on transactions of foreign operations (the parent company)	-	-
Income tax effect	-	-
Revaluation of property, plant and equipment	-	(3)
Income tax effect	-	-
	-	(3)
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	<b>235</b>	(176)
Income tax effect	<b>(42)</b>	32
	<b>193</b>	(144)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>193</b>	(147)
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>39 991</b>	<b>53 794</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	-	(9)
Equity holders of the parent	<b>39 991</b>	<b>53 803</b>
<b>Total comprehensive income (loss) as at 30 September</b>	<b>39 991</b>	<b>53 794</b>

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2017 (unaudited)	2016 (unaudited)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>2 195 406</b>	2 257 532
<i>Adjustments for:</i>			
Depreciation and amortization		810 022	595 670
Allowance for impairment of trade and other accounts receivable		24 607	26 036
Gain on acquisition of subsidiaries	4	-	(34 048)
Loss on disposal of property, plant and equipment	14	18 888	11 448
Write down of inventories	14	51 494	12 963
Finance income	15	(9 142)	(16 155)
Interest expense	15	207 478	435 894
Other finance costs		14 823	74 425
Changes in fair value of biological assets and agricultural produce		(1 185 158)	(1 328 459)
Recovery of assets previously written off	11	(38 726)	(15 771)
Non-controlling interests in limited liability companies	15	25 927	55 161
Foreign exchange gain(loss) on loans and borrowings, deposits		13 663	304 366
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		2 214 512	602 092
Increase in trade and other receivables		(362 110)	(496 572)
Decrease in biological assets due to other changes		(1 787 479)	(1 141 488)
Increase in trade and other payables		(22 620)	254 789
Income taxes paid		(89 300)	(38 590)
<b>Cash flows provided by operating activities</b>		<b>2 082 285</b>	1 559 293
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(1 210 421)	(510 907)
Proceeds from disposal of property, plant and equipment		5 992	2 995
Interest received	15	9 359	16 163
Acquisition of subsidiaries net of cash acquired	4	16	(124 483)
Cash deposits placement		(1 942 970)	(452 066)
Cash deposits withdrawal		1 933 287	723 077
<b>Cash flows used in investing activities</b>		<b>(1 204 737)</b>	(345 221)
<b>Financing activities</b>			
Proceeds from loans and borrowings		3 538 736	3 110 141
Repayment of loans and borrowings		(3 772 822)	(3 638 138)
Payments to shareholders for pledged shares		-	(41 225)
Purchase of treasury shares		-	(1 551)
Interest paid		(222 331)	(412 835)
<b>Cash flows used in financing activities</b>		<b>(456 417)</b>	(983 608)
Net decrease (increase) in cash and cash equivalents		421 131	230 464
Cash and cash equivalents as at 1 January		315 896	440 069
Currency translation difference		4 399	41 575
<b>Cash and cash equivalents as at 30 September</b>		<b>741 426</b>	712 108

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

<i>(in thousands of Euros)</i>	Notes	2017 (unaudited)	2016 (unaudited)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>75 714</b>	79 286
<i>Adjustments for:</i>			
Depreciation and amortization		27 531	20 980
Allowance for impairment of trade and other accounts receivable		838	917
Gain on acquisition of subsidiaries	4	-	(1 230)
Loss on disposal of property, plant and equipment	14	643	403
Write down of inventories	14	1 753	456
Finance income	15	(309)	(571)
Interest expense	15	7 006	15 397
Other finance costs		501	2 630
Changes in fair value of biological assets and agricultural produce		(40 956)	(46 634)
Recovery of assets previously written off	11	(1 301)	(556)
Non-controlling interests in limited liability companies	15	875	1 948
Foreign exchange gain(loss) on loans and borrowings, deposits		461	10 750
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		75 266	21 206
Increase in trade and other receivables		(12 307)	(17 490)
Decrease in biological assets due to other changes		(60 752)	(40 205)
Increase in trade and other payables		(769)	8 974
Income taxes paid		(3 035)	(1 359)
<b>Cash flows provided by operating activities</b>		<b>71 159</b>	54 902
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(41 139)	(17 995)
Proceeds from disposal of property, plant and equipment		204	105
Interest received	15	316	571
Acquisition of subsidiaries net of cash acquired	4	1	(4 486)
Cash deposits placement		(66 037)	(15 922)
Cash deposits withdrawal		65 707	25 468
<b>Cash flows used in investing activities</b>		<b>(40 948)</b>	(12 259)
<b>Financing activities</b>			
Proceeds from loans and borrowings		120 273	109 543
Repayment of loans and borrowings		(128 229)	(128 140)
Payments to shareholders for pledged shares		-	(1 452)
Purchase of treasury shares		-	(55)
Interest paid		(7 556)	(14 541)
<b>Cash flows used in financing activities</b>		<b>(15 512)</b>	(34 645)
Net decrease (increase) in cash and cash equivalents		14 699	7 998
Cash and cash equivalents as at 1 January		11 114	16 782
Currency translation difference		(2 077)	(288)
<b>Cash and cash equivalents as at 30 September</b>		<b>23 736</b>	24 492

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

## Attributable to equity holders of the parent company

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
<i>(in thousands of Ukrainian hryvnias)</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2017</b>	1 663	369 798	5 653 075	3 789 642	(95 934)	319 962	10 038 206	-	10 038 206
Net profit (loss)	-	-	2 148 265	-	-	-	2 148 265	-	2 148 265
Acquisitions of entities under common control	-	-	14 144	5 667	-	-	19 811	-	19 811
Exchange difference on translation	-	-	-	-	-	88 957	88 957	-	88 957
Total other comprehensive income, net of tax	-	-	14 144	5 667	-	88 957	108 768	-	108 768
Total comprehensive income	-	-	2 162 409	5 667	-	88 957	2 257 033	-	2 257 033
Realisation of revaluation surplus, net of tax	-	-	416 318	(416 318)	-	-	-	-	-
<b>As at 30 September 2017</b>	1 663	369 798	8 231 802	3 378 991	(95 934)	408 919	12 295 239	-	12 295 239

## Attributable to equity holders of the parent company

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
<i>(in thousands of Euros)</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2017</b>	250	55 638	376 304	183 025	(4 801)	(257 241)	353 175	-	353 175
Net profit (loss)	-	-	74 109	-	-	-	74 109	-	74 109
Acquisitions of entities under common control	-	-	453	193	-	-	646	-	646
Exchange difference on translation	-	-	-	-	-	(34 310)	(34 310)	-	(34 310)
Total other comprehensive income, net of tax	-	-	453	193	-	(34 310)	(33 664)	-	(33 664)
Total comprehensive income	-	-	74 562	193	-	(34 310)	40 445	-	40 445
Realisation of revaluation surplus, net of tax	-	-	16 161	(16 161)	-	-	-	-	-
<b>As at 30 September 2017</b>	250	55 638	467 027	167 057	(4 801)	(291 551)	393 620	-	393 620

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016****Attributable to equity holders of the parent company**

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2016</b>	1 663	369 798	2 875 244	2 834 231	(94 389)	319 547	6 306 094	407	6 306 501
Net profit (loss)	-	-	2 238 216	-	-	-	2 238 216	(76)	2 238 140
Revaluation reserve, net of tax	-	-	-	98	-	-	98	(127)	(29)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(4 102)	-	-	(4 102)	-	(4 102)
Exchange difference on translation	-	-	-	-	-	16 024	16 024	-	16 024
Total other comprehensive income, net of tax	-	-	-	(4 004)	-	16 024	12 020	(127)	11 893
Total comprehensive income	-	-	2 238 216	(4 004)	-	16 024	2 250 236	(203)	2 250 033
Purchase of own shares	-	-	-	-	(1 551)	-	(1 551)	-	(1 551)
Realisation of revaluation surplus, net of tax	-	-	298 381	(298 381)	-	-	-	-	-
<b>As at 30 September 2016</b>	1 663	369 798	5 411 841	2 531 846	(95 940)	335 571	8 554 779	204	8 554 983

**Attributable to equity holders of the parent company**

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2016</b>	250	55 638	262 518	165 523	(4 746)	(238 706)	240 477	16	240 493
Net profit (loss)	-	-	78 620	-	-	-	78 620	(3)	78 617
Revaluation reserve, net of tax	-	-	-	3	-	-	3	(6)	(3)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(144)	-	-	(144)	-	(144)
Exchange difference on translation	-	-	-	-	-	(24 676)	(24 676)	-	(24 676)
Total other comprehensive income, net of tax	-	-	-	(141)	-	(24 676)	(24 817)	(6)	(24 823)
Total comprehensive income	-	-	78 620	(141)	-	(24 676)	53 803	(9)	53 794
Purchase of own shares	-	-	-	-	(55)	-	(55)	-	(55)
Realisation of revaluation surplus, net of tax	-	-	10 262	(10 262)	-	-	-	-	-
<b>As at 30 September 2016</b>	250	55 638	351 400	155 120	(4 801)	(263 382)	294 225	7	294 232

The notes on pages 22 to 47 are an integral part of these consolidated financial statements.

## 1 BACKGROUND

### Organisation and operations

These consolidated financial statements are prepared by ASTARTA Holding N.V. (the Company), a Dutch public company incorporated in Amsterdam, the Netherlands, on 9 June 2006 under the Dutch law.

The Company's legal address is Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA Holding N.V. After the contribution, ASTARTA Holding N.V. owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.98% of the capital of LLC «Firm «Astarta-Kyiv» (Astarta-Kyiv) registered in Ukraine, which in turn controls number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred to as the «Group»).

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, crop growing, soybean processing and cattle farming. The croplands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet.

#### (a) Ukrainian business environment

The Group conducts most of its operations in Ukraine. The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation, and significant imbalances in the public finance and foreign trade.

The National Bank of Ukraine (the 'NBU') extended its range of measures that were introduced in 2014 and aimed at limiting the outflow of foreign currency from the country, inter alia, a mandatory sale of foreign currency earnings, certain restrictions on purchases of foreign currencies on the interbank market and on usage of foreign currencies for settlement purposes, and limitations on remittances abroad.

In early 2015, the Government of Ukraine agreed with the IMF a four-year program for USD 17.5 billion loan aimed at supporting the economic stabilization of Ukraine. The program defines economic reforms that must be undertaken by the Government of Ukraine to reinstate a sustainable economic growth in the mid-term perspective.

In 2016, political and economic relationships between Ukraine and the Russian Federation remained strained leading to a significant reduction in trade and economic cooperation. On 1 January 2016, a free-trade section of Ukraine's Association Agreement with the European Union came into force. In late 2015, the Russian Federation denounced the free trade zone agreement with Ukraine and further trade restrictions were announced by both countries.

Stabilization of the economic and political situation depends, to a large extent, upon the ability of the Ukrainian Government to continue reforms and the efforts of the NBU to further stabilize the banking sector, as well as upon the ability of the Ukrainian economy in general to respond adequately to changing markets.

Management is monitoring the developments in the current environment and taking actions, where appropriate, to minimize any negative effects to the extent possible. Further adverse developments in the political, macroeconomic and/or international trade conditions may further adversely affect the Group's financial position and performance in a manner not currently determinable.

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 September 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2016 which have been prepared in accordance with IFRS.

### (b) Going Concern

These consolidated financial statements are prepared on a going-concern basis, under which assets are sold and liabilities are repaid in the ordinary course of business. The accompanying consolidated financial statements do not include adjustments that would need to be made in case if the Group was unable to continue as a going concern.

### (c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

As at 30 September 2017 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

<b>Subsidiaries:</b>	<b>Activity</b>	<b>30 September 2017 % of ownership</b>	<b>31 December 2016 % of ownership</b>	<b>30 September 2016 % of ownership</b>
Ancor Investments Ltd	Trade and investment activities	100,00%	100,00%	100,00%
LLC Firm "Astarta-Kyiv"	Asset management	99,98%	99,98%	99,98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	99,72%	99,72%	99,72%
LLC "Agricultural company "Dovzhenko"	Agricultural	97,53%	97,53%	97,53%
LLC "Shyshaki combined forage factory"	Fodder production	90,56%	90,56%	90,56%
LLC "Agricultural company "Dobrobut"	Agricultural	98,24%	98,24%	98,24%
LLC "Agricultural company "Musievske"	Agricultural	89,98%	89,98%	89,98%
LLC "Globinskiy processing factory"	Soybean processing	99,98%	99,98%	99,98%
LLC "Dobrobut" (Novo-Sanzharskiy region)	Agricultural	99,98%	99,98%	99,98%
OJSC "Agricultural company "Agrocomplex" **	Agricultural	83,80%	83,80%	83,80%
LLC "Investment company "Poltavazernoproduct"	Agricultural	98,68%	98,68%	98,68%
LLC "List-Ruchky"	Agricultural	74,99%	74,99%	74,99%
LLC "Agropromgaz"	Trade	89,98%	89,98%	89,98%
LLC "Khmilnitske"	Agricultural	99,12%	99,12%	99,12%
LLC "Volochoysk-Agro"	Agricultural	97,57%	97,57%	97,52%
LLC "Agricultural company "Mirgorodska"	Agricultural	89,98%	89,98%	89,98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	98,56%	98,56%	98,56%
SC "Agricultural company "Agro-Kors" **	Agricultural	99,98%	99,98%	99,98%
LLC "Agricultural company "Khorolska"	Agricultural	98,95%	98,95%	98,95%
LLC "Agricultural company "Lan"	Agricultural	99,98%	99,98%	99,98%
LLC "Nika"	Agricultural	98,98%	98,98%	98,98%
LLC "Zhytynysya Podillya"	Agricultural	96,98%	96,98%	96,98%
LLC "Astarta-Selektsiya"	Research and development	74,98%	74,98%	74,98%
LLC "Agrosvit Savyntsi"	Agricultural	99,98%	99,98%	99,98%
LLC "Khorolskiy combined forage factory"	Fodder production	99,23%	99,23%	99,23%
ALC "Novoivanivskiy sugar plant"	Sugar production	94,49%	94,49%	94,49%
LLC "Investpromgaz"	Trade	99,93%	99,93%	99,93%
LLC "Tsukragromprom"	Trade	99,98%	99,98%	99,98%
LLC "Zerno-Agrotrade"	Trade	99,98%	99,98%	99,98%
LLC "Novoorzhyskiy sugar plant"	Sugar production	99,97%	99,97%	99,97%
LLC "APK Savynska"	Sugar production	99,96%	99,96%	99,96%
LLC "Kochubeyivske"	Trade	58,52%	58,52%	58,52%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	99,98%	99,98%	99,98%
LLC "Savynsi agro"	Agricultural	99,98%	99,98%	99,98%
PE "TMG"	Agricultural	98,98%	98,98%	98,98%
LLC "Eco Energy"	Agricultural	99,98%	99,98%	99,98%
ALLC "Lyaschivka"	Agricultural	99,98%	99,98%	0,00%
PLC "Agrotechnika Kobelyaki"	Agricultural	51,17%	48,04%	48,04%
LLC "Agro Core"	Research and development	50,00%	50,00%	0,00%
LLC "Kronos-Agro 2015" *	Agricultural	99,98%	0,00%	0,00%



ALC "Narkevitskiy sugar plant" *	Sugar production	99,98%	0,00%	0,00%
PJSC "Ukrainian Agro-Insurance Company" *	Insurance	98,37%	0,00%	0,00%
Astarta Trading GmbH *	Trade	100,00%	0,00%	0,00%

Associate:

LLC "Agricultural company "Pokrovska"	Agricultural	49,99%	49,99%	49,99%
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\* In January 2017, the Group obtained control over LLC "Kronos-Agro 2015".

In February 2017, the Group registered ALC "Narkevitskiy sugar plant" as a separate legal entity which previously was a part of LLC "Volochnysk-Agro".

In June 2017, the Group obtained control over PJSC "Ukrainian Agro-Insurance Company".

In August 2017, the Group incorporated Astarta Trading GmbH.

\*\* OJSC "Agricultural company "Agrocomplex" and SC "Agricultural company "Agro-Kors" as at 30 September 2017 were on the liquidation stage.

All subsidiaries, joint operations and the associate, except for Ancor Investments Ltd, are incorporated in Ukraine. Ancor Investments Ltd is incorporated in Cyprus.

#### (d) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machines and equipment classified as property, plant and equipment, biological assets and available for sale investments stated at fair value and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

#### (e) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Cypriot subsidiary is Euro (EUR). The operating subsidiaries, joint venture and associate registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realize or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purposes of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries, joint venture and associate are translated from UAH to EUR using the closing rates at each reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in Currency translation reserve.

The principal Ukrainian Hryvnia ("UAH") exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate		
	2017	2016	30 September	31 December	30 September
			2017	2016	2016
EUR	29.42	28.39	31.24	28.42	29.08
USD	26.47	25.43	26.52	27.19	25.91

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is allocated as a separate line in the Consolidated Income Statement.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements for the year ended 31 December 2016 except for the adoption of new Standards and Interpretations noted below

#### (a) New and amended standards and interpretations not yet adopted

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016:

##### **Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative**

The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

##### **IFRS 14 Regulatory Deferral Accounts**

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

##### **Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests**

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

##### **Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead IAS 16 will apply.

##### **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

##### **Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception**

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

##### **Amendments to IAS 27: Equity Method in Separate Financial Statements**

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and

electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS.

### **IFRS 9 Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but comparative information is not compulsory. The Group will implement IFRS 9 per 1 January 2018. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of the Group's financial liabilities.

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes and will be implemented by the Group per 1 January 2018. The Group has started the identification of the areas where IFRS 15 changes the current accounting policies. The impact of the standard will be further investigated in 2017.

### **IFRS 16 Leases**

IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognised on the (Consolidated) Statement of Financial Position. It replaces existing guidance on leases, including IAS 17. The Group expects to implement IFRS 16 per 1 January 2019. In 2016, the Group has started to collect rental and lease contracts from the key operating companies. The Group is currently in the process of determining to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Astarta will further analyse the lease contracts in 2017 to prepare an initial impact assessment.

The following new or amended standards are not expected to have a significant impact on consolidated financial statements:

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016);
- Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016);
- Amendments to IFRS 2: Classification and measurement of Share-based Payments (issued on 20 June 2016).

## 4 BUSINESS COMBINATIONS

### Acquisition of new entities in 2017

During the reporting period the Group completed acquisition of Private JSC “Ukrainian Agro-Insurance Company” which is private joint stock insurance company located in Ukraine with the purpose to develop Ukrainian insurance and reinsurance market of risks in agricultural production. On 30 June 2017, the Group acquired 100% ownership interest in Private JSC “Ukrainian Agro-Insurance Company” for consideration payable of UAH 10,458 thousand or EUR 351 thousand.

The excess of net assets acquired over the consideration payable is recognized in other comprehensive income statement as a gain on acquisition of subsidiaries. This gain arises because the fair value of the acquired monetary assets exceeds the amount payable for the subsidiaries. This situation is due to the significant risks involved in insurance business in Ukraine.

The purchase consideration will be settled by setting-off of mutual settlements, and the direct costs related to this acquisition are not significant.

The acquisition of the company had the following effect on assets and liabilities, which are stated at their fair values, as at the date they were acquired.

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	(unaudited)	(unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	68	2
Financial instruments available-for-sale	1 509	51
<b>Current assets</b>		
Inventories	2	-
Trade accounts receivable	71	2
Other accounts receivable and prepayments	18 668	627
Short-term cash deposits	16 431	552
Cash and cash equivalents	16	1
<b>Non-current liabilities</b>		
Other long-term liabilities	(10 820)	(363)
<b>Current liabilities</b>		
Trade accounts payable	(25)	(1)
Current income tax	(825)	(28)
Other liabilities and accounts payable	(493)	(17)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>24 602</b>	<b>826</b>
Non-controlling interest	-	-
<b>Net assets acquired</b>	<b>24 602</b>	<b>826</b>
Excess of net assets acquired over consideration paid :		
acquisitions from third parties		-
acquisitions from entities under common control	14 144	474
Consideration payable	(10 458)	(352)
Cash acquired	16	1
<b>Net cash outflow</b>	<b>16</b>	<b>1</b>

## Acquisition of new entities in 2016

During the reporting period the Group completed acquisition of LLC “Eko Energy Ukraine” and ALLC “Lyaschivka” which are non-listed agricultural companies located in Ukraine with the purpose to expand the agricultural land leases bank. The purchase consideration consisted only of cash, and the direct costs related to this acquisition are not significant.

Management commissioned an independent appraiser to determine the fair value of property, plant and equipment and land lease rights of LLC “Eko Energy Ukraine” and ALLC “Lyaschivka”.

The acquisition of the companies had the following effect on assets and liabilities, which are stated at their fair values, as at the date they were acquired:

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of acquisition
LLC “Eko Energy Ukraine”	Ukraine	Agricultural	01.06.2016	100%
ALLC “Lyaschivka”	Ukraine	Agricultural	01.08.2016	100%

### Recognised fair value at acquisition

<i>(in thousands of Ukrainian hryvnias)</i>	Eko Energy Ukraine	Lyaschivka	Total
<b>Non-current assets</b>			
Property, plant and equipment	7 094	40 423	47 517
Intangible and other non-current assets	10 379	18 982	29 361
Non-current biological assets	-	16 640	16 640
<b>Current assets</b>			
Inventories	3 663	6 457	10 120
Current biological assets	54 120	19 061	73 181
Trade accounts receivable	565	545	1 110
Other accounts receivable and prepayments	3 210	1 261	4 471
Cash and cash equivalents	5	5 908	5 913
<b>Non-current liabilities</b>			
Other long-term liabilities	-	(219)	(219)
<b>Current liabilities</b>			
Trade accounts payable	(7 994)	(43)	(8 037)
Other liabilities and accounts payable	(14 308)	(1 305)	(15 613)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>56 734</b>	<b>107 710</b>	<b>164 444</b>
Non-controlling interest	-	-	-
<b>Net assets acquired</b>	<b>56 734</b>	<b>107 710</b>	<b>164 444</b>
Excess of net assets acquired over consideration paid :			
acquisitions from third parties	5 930	25 910	31 840
acquisitions from entities under common control	2 208	-	2 208
Consideration paid	(48 596)	(81 800)	(130 396)
Cash acquired	5	5 908	5 913
<b>Net cash outflow</b>	<b>(48 591)</b>	<b>(75 892)</b>	<b>(124 483)</b>

(in thousands of Euros)	Eko Energy Ukraine	Lyaschivka	Total
<b>Non-current assets</b>			
Property, plant and equipment	253	1 466	1 719
Intangible and other non-current assets	372	689	1 061
Non-current biological assets	-	604	604
<b>Current assets</b>			
Inventories	129	234	363
Current biological assets	1 930	691	2 621
Trade accounts receivable	20	20	40
Other accounts receivable and prepayments	115	46	161
Cash and cash equivalents	-	214	214
<b>Non-current liabilities</b>			
Other long-term liabilities	-	(8)	(8)
<b>Current liabilities</b>			
Trade accounts payable	(285)	(2)	(287)
Other liabilities and accounts payable	(511)	(47)	(558)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>2 023</b>	<b>3 907</b>	<b>5 930</b>
Non-controlling interest	-	-	-
<b>Net assets acquired</b>	<b>2 023</b>	<b>3 907</b>	<b>5 930</b>
Excess of net assets acquired over consideration paid :			
acquisitions from third parties	211	940	1 151
acquisitions from entities under common control	79	-	79
Consideration paid	(1 733)	(2 967)	(4 700)
Cash acquired	-	214	214
<b>Net cash outflow</b>	<b>(1 733)</b>	<b>(2 753)</b>	<b>(4 486)</b>

During the period between acquisition and till the end of the year LLC “Eko Energy Ukraine” received revenues in amount of UAH 4,051 thousand or EUR 143 thousand and net profit in amount of UAH 46,560 thousand or EUR 1,646 thousand. And ALLC “Lyaschivka” received revenues in amount of UAH 13,791 thousand or EUR 488 thousand and net loss in amount of UAH 3,243 thousand or EUR 115 thousand.

The excess of net assets acquired over the consideration paid amounting to UAH 34,048 thousand or EUR 1,230 thousand is recognized in the income statement as a gain on acquisition of subsidiaries. This gain arises because the fair value of the acquired non-monetary assets exceeds the amount paid for the subsidiaries. This situation is due to the significant risks involved in agricultural business in Ukraine, the lack of financial resources in the acquired companies which prevents them from efficient use of their assets.

## 5 BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of nine months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

As at 30 September biological assets comprise the following groups:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2017		31 December 2016		30 September 2016	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	29 073	864 612	30 056	428 897	30 574	427 390
Other livestock		2 354		3 413		3 305
		<b>866 966</b>		<b>432 310</b>		<b>430 695</b>
<b>Current biological assets</b>						
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	36 539	1 210 519	-	-	36 262	1 111 761
Corn	46 401	933 810	-	-	38 583	774 066
Winter wheat	34 553	115 976	49 953	384 801	39 422	125 159
Soy	14 145	281 214	-	-	2 734	13 772
Sunflower	3 061	67 378	-	-	3 264	48 769
Winter rye	564	2 599	1 556	5 702	1 473	4 542
	<b>135 263</b>	<b>2 611 496</b>	<b>51 509</b>	<b>390 503</b>	<b>121 738</b>	<b>2 078 069</b>
<b>Total biological assets</b>		<b>3 478 462</b>		<b>822 813</b>		<b>2 508 764</b>

<i>(in thousands of Euros)</i>	30 September 2017		31 December 2016		30 September 2016	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	29 073	27 680	30 056	15 090	30 574	14 699
Other livestock		75		119		114
		<b>27 755</b>		<b>15 209</b>		<b>14 813</b>
<b>Current biological assets</b>						
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	36 539	38 753	-	-	36 262	38 238
Corn	46 401	29 895	-	-	38 583	26 622
Winter wheat	34 553	3 713	49 953	13 539	39 422	4 305
Soy	14 145	9 003	-	-	2 734	474
Sunflower	3 061	2 157	-	-	3 264	1 677
Winter rye	564	83	1 556	200	1 473	155
	<b>135 263</b>	<b>83 604</b>	<b>51 509</b>	<b>13 739</b>	<b>121 738</b>	<b>71 471</b>
<b>Total biological assets</b>		<b>111 359</b>		<b>28 948</b>		<b>86 284</b>

## 6 INVENTORIES

Inventories as at 30 September are as follows:

(in thousands of Ukrainian hryvnias)

	30 September 2017	31 December 2016	30 September 2016
	(unaudited)	(audited)	(unaudited)
<b>Finished goods:</b>			
Sugar products	378 942	2 380 082	521 956
Agricultural produce	1 892 803	2 579 202	2 530 381
Soybean processing	96 410	141 865	87 562
Cattle farming	7 161	1 455	1 623
	<b>2 375 316</b>	<b>5 102 604</b>	<b>3 141 522</b>
<b>Raw materials and consumables for:</b>			
Sugar production	531 258	21 185	388 535
Cattle farming	216 894	165 252	201 893
Agricultural produce	193 995	96 019	113 285
Other production	1 130	1 269	1 376
Consumables for joint utilization	762 709	163 000	266 853
	<b>1 705 986</b>	<b>446 725</b>	<b>971 942</b>
<b>Investments into future crops</b>	<b>335 690</b>	<b>777 953</b>	<b>346 811</b>
	<b>4 416 992</b>	<b>6 327 282</b>	<b>4 460 275</b>

(in thousands of Euros)

	30 September 2017	31 December 2016	30 September 2016
	(unaudited)	(audited)	(unaudited)
<b>Finished goods:</b>			
Sugar products	12 131	83 739	17 952
Agricultural produce	60 596	90 745	87 027
Soybean processing	3 086	4 991	3 012
Cattle farming	229	51	56
	<b>76 042</b>	<b>179 526</b>	<b>108 047</b>
<b>Raw materials and consumables for:</b>			
Sugar production	17 008	745	13 363
Cattle farming	6 944	5 814	6 944
Agricultural produce	6 211	3 378	3 896
Other production	36	45	47
Consumables for joint utilization	24 418	5 735	9 178
	<b>54 617</b>	<b>15 717</b>	<b>33 428</b>
<b>Investments into future crops</b>	<b>10 747</b>	<b>27 372</b>	<b>11 928</b>
	<b>141 406</b>	<b>222 615</b>	<b>153 403</b>



Inventories as at 30 September include the following goods in transit:

(in thousands of Ukrainian hryvnias)

	30 September 2017	31 December 2016	30 September 2016
	(unaudited)	(audited)	(unaudited)
<b>Goods in transit:</b>			
Sugar products	16 545	377 478	60 211
Agricultural produce	330 489	140 573	163 769
Soybean processing	39 873	1 024	28 569
Consumables for joint utilization	1 139	912	2 164
	<b>388 046</b>	<b>519 987</b>	<b>254 713</b>

(in thousands of Euros)

	30 September 2017	31 December 2016	30 September 2016
	(unaudited)	(audited)	(unaudited)
<b>Goods in transit:</b>			
Sugar products	530	13 281	2 071
Agricultural produce	10 580	4 946	5 632
Soybean processing	1 276	36	983
Consumables for joint utilization	36	32	74
	<b>12 422</b>	<b>18 295</b>	<b>8 760</b>

All inventories are stated at historical cost, except of agricultural produce, which is measured at fair value less costs to sell at the point of harvest. The fair value of agricultural produce was estimated based on market price as at the date of harvest and is within level 1 of the fair value hierarchy.

## 7 TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable and prepayments are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>Non-current accounts receivable and prepayments</b>			
Advances to suppliers	174 203	67 415	51 492
Other long-term receivables	1 509	832	436
	<b>175 712</b>	<b>68 247</b>	<b>51 928</b>
<b>Current accounts receivable and prepayments</b>			
Trade receivables	403 293	407 036	284 927
Less allowance	(54 375)	(52 631)	(47 068)
	<b>348 918</b>	<b>354 405</b>	<b>237 859</b>
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	447 892	719 636	629 341
Advances to suppliers	486 378	192 031	480 142
Less allowance	(11 348)	(3 957)	(19 116)
	<b>922 922</b>	<b>907 710</b>	<b>1 090 367</b>
Other financial assets:			
Financial aid	21 246	13 551	41 344
Other receivables	59 279	32 920	33 849
Less allowance	(19 809)	(12 711)	(11 525)
	<b>60 716</b>	<b>33 760</b>	<b>63 668</b>
	<b>1 332 556</b>	<b>1 295 875</b>	<b>1 391 894</b>
<i>(in thousands of Euros)</i>			
	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>Non-current accounts receivable and prepayments</b>			
Advances to suppliers	5 577	2 372	1 771
Other long-term receivables	48	29	15
	<b>5 625</b>	<b>2 401</b>	<b>1 786</b>
<b>Current accounts receivable and prepayments</b>			
Trade receivables	12 911	14 321	9 799
Less allowance	(1 741)	(1 852)	(1 619)
	<b>11 170</b>	<b>12 469</b>	<b>8 180</b>
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	14 339	25 319	21 645
Advances to suppliers	15 571	6 756	16 514
Less allowance	(363)	(139)	(657)
	<b>29 547</b>	<b>31 936</b>	<b>37 502</b>
Other financial assets:			
Financial aid	680	477	1 420
Other receivables	1 898	1 158	1 164
Less allowance	(634)	(447)	(396)
	<b>1 944</b>	<b>1 188</b>	<b>2 188</b>
	<b>42 661</b>	<b>45 593</b>	<b>47 870</b>

**8 OTHER LIABILITIES AND ACCOUNTS PAYABLE**

Other accounts payable as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>Other liabilities:</b>			
Advances received from customers	239 200	561 138	319 757
VAT payable	-	-	11 852
	<b>239 200</b>	<b>561 138</b>	<b>331 609</b>
<b>Other accounts payable:</b>			
Accounts payable for property, plant and equipment	29 496	4 340	21 067
Accrual for unused vacations	80 142	60 463	53 056
Interest payable	25 700	48 488	48 854
Salaries payable	62 253	53 747	38 327
Social insurance payable	12 658	8 327	9 528
Settlements with land and fixed assets lessors	153 061	58 711	124 325
Other taxes and charges payable	57 846	33 655	46 565
Other payables	30 713	11 184	6 684
	<b>451 869</b>	<b>278 915</b>	<b>348 406</b>
	<b>691 069</b>	<b>840 053</b>	<b>680 015</b>

<i>(in thousands of Euros)</i>	30 September 2017 (unaudited)	31 December 2016 (audited)	30 September 2016 (unaudited)
<b>Other liabilities:</b>			
Advances received from customers	7 658	19 743	10 997
VAT payable	-	-	408
	<b>7 658</b>	<b>19 743</b>	<b>11 405</b>
<b>Other accounts payable:</b>			
Accounts payable for property, plant and equipment	944	153	725
Accrual for unused vacations	2 566	2 127	1 825
Interest payable	823	1 706	1 680
Salaries payable	1 993	1 891	1 318
Social insurance payable	405	293	328
Settlements with land and fixed assets lessors	4 900	2 066	4 276
Other taxes and charges payable	1 852	1 184	1 602
Other payables	982	393	230
	<b>14 465</b>	<b>9 813</b>	<b>11 984</b>
	<b>22 123</b>	<b>29 556</b>	<b>23 389</b>

## 9 REVENUES

Revenues for the three months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
Sugar and related sales:				
Sugar	1 402 763	1 108 639	46 371	39 111
Molasses	38 535	18 861	1 274	665
Pulp	3 897	2 711	112	96
	<b>1 445 195</b>	<b>1 130 211</b>	<b>47 757</b>	<b>39 872</b>
Crops	777 345	218 994	25 374	7 726
Soybean processing products	467 618	427 160	15 344	15 069
Cattle farming	225 506	138 998	7 474	4 904
Other sales	74 138	31 965	2 472	1 127
	<b>1 544 607</b>	<b>817 117</b>	<b>50 664</b>	<b>28 826</b>
	<b>2 989 802</b>	<b>1 947 328</b>	<b>98 421</b>	<b>68 698</b>

Revenues for the nine months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
Sugar and related sales:				
Sugar	4 400 156	2 765 248	150 040	97 375
Molasses	122 190	62 505	4 167	2 201
Pulp	47 766	17 078	1 629	601
	<b>4 570 112</b>	<b>2 844 831</b>	<b>155 836</b>	<b>100 177</b>
Crops	3 099 905	1 214 976	105 703	42 784
Soybean processing products	1 700 972	1 507 170	58 001	53 073
Cattle farming	668 297	480 108	22 788	16 906
Other sales	187 994	100 430	6 410	3 538
	<b>5 657 168</b>	<b>3 302 684</b>	<b>192 902</b>	<b>116 301</b>
	<b>10 227 280</b>	<b>6 147 515</b>	<b>348 738</b>	<b>216 478</b>

## 10 COST OF REVENUES

Cost of revenues for the three months ended 30 September by product is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
Sugar and related sales:				
Sugar	874 901	638 642	28 886	22 523
Molasses	27 132	11 422	898	403
Pulp	6 788	1 224	220	43
	<b>908 821</b>	<b>651 288</b>	<b>30 004</b>	<b>22 969</b>
Crops	770 365	211 186	25 286	7 461
Soybean processing products	425 423	334 550	13 946	11 808
Cattle farming	154 049	123 786	5 079	4 370
Other sales	76 959	7 945	2 571	268
	<b>1 426 796</b>	<b>677 467</b>	<b>46 882</b>	<b>23 907</b>
	<b>2 335 617</b>	<b>1 328 755</b>	<b>76 886</b>	<b>46 876</b>

Cost of revenues for the nine months ended 30 September by product is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Sugar and related sales:				
Sugar	<b>2 700 238</b>	1 535 341	<b>92 013</b>	54 077
Molasses	<b>80 615</b>	35 483	<b>2 747</b>	1 250
Pulp	<b>29 617</b>	10 791	<b>1 009</b>	380
	<b>2 810 470</b>	1 581 615	<b>95 769</b>	55 707
Crops	<b>2 669 843</b>	918 631	<b>90 977</b>	32 355
Soybean processing products	<b>1 510 031</b>	1 104 939	<b>51 455</b>	38 917
Cattle farming	<b>489 530</b>	424 035	<b>16 681</b>	14 935
Other sales	<b>179 701</b>	64 629	<b>6 123</b>	2 262
	<b>4 849 105</b>	2 512 234	<b>165 236</b>	88 469
	<b>7 659 575</b>	4 093 849	<b>261 005</b>	144 176

## 11 OTHER OPERATING INCOME

Other operating income for the three months ended 30 September is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Government subsidies relating to:				
VAT refunds	-	3 965	-	140
Recovery of assets previously written off	<b>18 449</b>	8 138	<b>602</b>	287
Other operating income	<b>9 265</b>	(977)	<b>305</b>	(34)
	<b>27 714</b>	11 126	<b>907</b>	393

Other operating income for the nine months ended 30 September is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Government subsidies relating to:				
VAT refunds	<b>1 726</b>	570 673	<b>58</b>	20 117
Recovery of assets previously written off	<b>38 726</b>	15 771	<b>1 301</b>	556
Other operating income	<b>15 515</b>	4 198	<b>522</b>	148
	<b>55 967</b>	590 642	<b>1 881</b>	20 821

**12 GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the three months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017	2016	2017	2016
Salary and related charges	<b>101 968</b>	87 910	<b>3 345</b>	3 102
Professional services	<b>13 644</b>	8 372	<b>454</b>	295
Taxes other than corporate income tax	<b>3 534</b>	5 436	<b>114</b>	192
Depreciation	<b>12 852</b>	20 562	<b>425</b>	724
Fuel and other materials	<b>5 477</b>	6 309	<b>182</b>	223
Bank charges	<b>2 824</b>	2 493	<b>93</b>	88
Office expenses	<b>1 335</b>	1 400	<b>43</b>	49
Maintenance	<b>348</b>	1 500	<b>11</b>	52
Communication	<b>1 276</b>	1 097	<b>43</b>	39
Insurance	<b>1 132</b>	729	<b>37</b>	26
Rent	<b>8 629</b>	525	<b>287</b>	18
Transportation	<b>52</b>	370	<b>1</b>	13
Other	<b>4 354</b>	4 440	<b>147</b>	158
	<b>157 425</b>	141 143	<b>5 182</b>	4 979

General and administrative expenses for the nine months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017	2016	2017	2016
Salary and related charges	<b>344 418</b>	298 048	<b>11 717</b>	10 497
Professional services	<b>33 294</b>	23 539	<b>1 133</b>	829
Taxes other than corporate income tax	<b>14 585</b>	21 273	<b>496</b>	749
Depreciation	<b>37 299</b>	25 851	<b>1 269</b>	910
Fuel and other materials	<b>14 481</b>	15 178	<b>493</b>	535
Bank charges	<b>7 334</b>	7 079	<b>249</b>	249
Office expenses	<b>5 724</b>	5 542	<b>195</b>	195
Maintenance	<b>1 180</b>	3 563	<b>40</b>	125
Communication	<b>3 607</b>	2 861	<b>123</b>	101
Insurance	<b>3 380</b>	3 350	<b>115</b>	118
Rent	<b>20 499</b>	2 302	<b>697</b>	81
Transportation	<b>276</b>	1 472	<b>9</b>	52
Other	<b>10 858</b>	12 368	<b>369</b>	437
	<b>496 935</b>	422 426	<b>16 905</b>	14 878

**13 SELLING AND DISTRIBUTION EXPENSES**

Selling and distribution expenses for the three months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Transportation	<b>121 431</b>	57 621	<b>3 998</b>	2 032
Salary and related charges	<b>42 575</b>	19 101	<b>1 423</b>	674
Fuel and other materials	<b>11 396</b>	9 688	<b>374</b>	342
Storage and logistics	<b>7 342</b>	12 288	<b>205</b>	435
Allowance for trade accounts receivable	<b>6 059</b>	(1 986)	<b>205</b>	(70)
Depreciation	<b>7 733</b>	7 430	<b>259</b>	262
Professional services	<b>2 100</b>	4 696	<b>68</b>	165
Other	<b>11 881</b>	6 469	<b>398</b>	228
	<b>210 517</b>	115 307	<b>6 930</b>	4 068

Selling and distribution expenses for the nine months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Transportation	<b>380 371</b>	142 045	<b>12 955</b>	5 006
Salary and related charges	<b>93 541</b>	44 487	<b>3 186</b>	1 568
Fuel and other materials	<b>36 998</b>	22 462	<b>1 260</b>	792
Storage and logistics	<b>92 211</b>	102 444	<b>3 141</b>	3 611
Allowance for trade accounts receivable	<b>8 512</b>	7 030	<b>290</b>	248
Depreciation	<b>16 188</b>	10 384	<b>551</b>	366
Professional services	<b>8 292</b>	10 734	<b>282</b>	378
Other	<b>26 295</b>	14 258	<b>897</b>	502
	<b>662 408</b>	353 844	<b>22 562</b>	12 471

**14 OTHER OPERATING EXPENSES**

Other operating expenses for the three months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Charity and social expenses	<b>24 880</b>	21 844	<b>838</b>	770
Loss on disposal of property, plant and equipment	<b>6 864</b>	1 509	<b>228</b>	54
Other salary and related charges	<b>5 847</b>	3 557	<b>196</b>	125
Write down of inventories	<b>7 019</b>	6 448	<b>218</b>	227
VAT written off	<b>3 705</b>	3 073	<b>113</b>	108
Depreciation	<b>1 149</b>	8 192	<b>38</b>	289
Representative expenses	<b>18</b>	514	-	18
Penalties paid	<b>456</b>	517	<b>16</b>	19
Allowance for other accounts receivable	<b>3 356</b>	7 974	<b>108</b>	281
Other	<b>7 260</b>	5 079	<b>239</b>	178
	<b>60 554</b>	58 707	<b>1 994</b>	2 069

Other operating expenses for the nine months ended 30 September are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Charity and social expenses	<b>44 912</b>	40 815	<b>1 529</b>	1 437
Loss on disposal of property, plant and equipment	<b>18 888</b>	11 448	<b>643</b>	403
Other salary and related charges	<b>12 323</b>	6 707	<b>420</b>	236
Write down of inventories	<b>51 494</b>	12 963	<b>1 753</b>	456
VAT written off	<b>31 463</b>	5 688	<b>1 071</b>	200
Depreciation	<b>3 079</b>	9 506	<b>105</b>	335
Representative expenses	<b>41</b>	1 251	<b>1</b>	44
Penalties paid	<b>1 251</b>	2 344	<b>43</b>	83
Allowance for other accounts receivable	<b>16 095</b>	19 006	<b>548</b>	669
Other	<b>24 916</b>	14 767	<b>848</b>	519
	<b>204 462</b>	124 495	<b>6 961</b>	4 382



**15 FINANCE (COSTS) INCOME**

Finance (costs) income for the three months ended 30 September is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017	2016	2017	2016
<b>Finance costs</b>				
Foreign currency exchange loss, net	<b>(59 149)</b>	(131 524)	<b>(2 036)</b>	(4 640)
Interest expense				
Bank loans	<b>(68 664)</b>	(138 320)	<b>(2 238)</b>	(4 879)
Finance lease liabilities	<b>(2 508)</b>	(2 908)	<b>(81)</b>	(103)
Borrowings from non-financial institutions	<b>(6 632)</b>	(10 518)	<b>(197)</b>	(371)
	<b>(77 804)</b>	(151 746)	<b>(2 516)</b>	(5 353)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	<b>8 737</b>	(7 197)	<b>325</b>	(253)
Consideration to shareholders for pledged shares	-	(13 682)	-	(483)
Other finance costs	<b>(2 514)</b>	(12 841)	<b>(75)</b>	(454)
	<b>(130 730)</b>	(316 990)	<b>(4 302)</b>	(11 183)
<b>Finance income</b>				
Interest income	<b>3 730</b>	2 056	<b>121</b>	72
Other finance income	<b>(217)</b>	(8)	<b>(7)</b>	-
	<b>3 513</b>	2 048	<b>114</b>	72

Finance (costs) income for the nine months ended 30 September is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2017	2016	2017	2016
<b>Finance costs</b>				
Foreign currency exchange loss, net	<b>(13 663)</b>	(304 366)	<b>(461)</b>	(10 750)
Interest expense				
Bank loans	<b>(162 792)</b>	(415 232)	<b>(5 497)</b>	(14 667)
Finance lease liabilities	<b>(7 423)</b>	(4 664)	<b>(251)</b>	(165)
Borrowings from non-financial institutions	<b>(37 263)</b>	(15 998)	<b>(1 258)</b>	(565)
	<b>(207 478)</b>	(435 894)	<b>(7 006)</b>	(15 397)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	<b>(25 927)</b>	(55 161)	<b>(875)</b>	(1 948)
Consideration to shareholders for pledged shares	-	(41 225)	-	(1 456)
Other finance costs	<b>(14 823)</b>	(33 200)	<b>(501)</b>	(1 174)
	<b>(261 891)</b>	(869 846)	<b>(8 843)</b>	(30 725)
<b>Finance income</b>				
Interest income	<b>9 359</b>	16 163	<b>316</b>	571
Other finance income	<b>(217)</b>	(8)	<b>(7)</b>	-
	<b>9 142</b>	16 155	<b>309</b>	571

## 16 SEGMENT REPORTING

At 30 September 2017 and 2016, the group is organized into four main business segments:

- production and wholesale distribution of sugar and sugar by-products
- growing and selling grain and oilseeds crops (agriculture)
- processing and wholesale distribution of soybean products: soybean meal, soybean hydrated oil and granulated soybean husks
- dairy cattle farming.

Other group operations mainly comprise the sales of gas.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the management board.

Revenues from external customers are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The sugar segment is highly seasonal, as sugar plants normally operate during September – December processing sugar beets harvested in September-November.

The agriculture segment, in the first half of the Group's financial year due to seasonality and the implications of IAS 41, reflects the effects of the valuation of biological assets and the sale of carried-forward agri produce, while financial performance during the second half of the financial year mainly reflects the sale of crops and the effects of the revaluation of agri produce carried forward.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments classified as available-for-sale financial assets are not considered to be segment assets. The amounts of total liabilities are measured in a manner consistent with that of the financial statements. Liabilities are allocated based on the operations of the segment.

The segment information for the nine months ended 30 September 2017 is as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total revenues	4 570 112	2 844 831	3 376 183	1 474 111	668 297	480 108	1 700 972	1 507 170	187 994	100 430	10 503 558	6 406 650
Inter-segment revenues	-	-	276 278	259 135	-	-	-	-	-	-	276 278	259 135
<b>Revenues from external customers</b>	<b>4 570 112</b>	<b>2 844 831</b>	<b>3 099 905</b>	<b>1 214 976</b>	<b>668 297</b>	<b>480 108</b>	<b>1 700 972</b>	<b>1 507 170</b>	<b>187 994</b>	<b>100 430</b>	<b>10 227 280</b>	<b>6 147 515</b>
Total cost of revenues	(2 810 470)	(1 581 615)	(2 946 121)	(1 177 766)	(489 530)	(424 035)	(1 510 031)	(1 104 939)	(179 701)	(64 629)	(7 935 853)	(4 352 984)
Inter-segment cost of revenues	-	-	(276 278)	(259 135)	-	-	-	-	-	-	(276 278)	(259 135)
<b>Cost of revenues</b>	<b>(2 810 470)</b>	<b>(1 581 615)</b>	<b>(2 669 843)</b>	<b>(918 631)</b>	<b>(489 530)</b>	<b>(424 035)</b>	<b>(1 510 031)</b>	<b>(1 104 939)</b>	<b>(179 701)</b>	<b>(64 629)</b>	<b>(7 659 575)</b>	<b>(4 093 849)</b>
Changes in fair value of biological assets and agricultural produce	-	-	780 118	1 428 166	405 040	(99 707)	-	-	-	-	1 185 158	1 328 459
<b>Gross profit</b>	<b>1 759 642</b>	<b>1 263 216</b>	<b>1 210 180</b>	<b>1 724 511</b>	<b>583 807</b>	<b>(43 634)</b>	<b>190 941</b>	<b>402 231</b>	<b>8 293</b>	<b>35 801</b>	<b>3 752 863</b>	<b>3 382 125</b>
Other operating income	13 866	8 757	29 140	427 851	4 647	151 990	1 039	1 268	7 275	776	55 967	590 642
General and administrative expense	(94 570)	(149 560)	(146 367)	(87 422)	(21 730)	(21 317)	(9 033)	(10 458)	(225 235)	(153 669)	(496 935)	(422 426)
Selling and distribution expense	(219 971)	(116 775)	(339 171)	(106 386)	(39 720)	(17 040)	(52 653)	(83 701)	(10 893)	(29 942)	(662 408)	(353 844)
Other operating expense	(30 715)	(9 922)	(70 141)	(19 441)	(3 640)	(10 828)	(10 904)	(3 567)	(89 062)	(80 737)	(204 462)	(124 495)
<b>Profit (loss) from operations</b>	<b>1 428 252</b>	<b>995 716</b>	<b>683 641</b>	<b>1 939 113</b>	<b>523 364</b>	<b>59 171</b>	<b>119 390</b>	<b>305 773</b>	<b>(309 622)</b>	<b>(227 771)</b>	<b>2 445 025</b>	<b>3 072 002</b>
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	(13 664)	(304 366)	(13 664)	(304 366)
Interest expense	(52 157)	(69 756)	(108 933)	(258 086)	(14)	(23)	(37 771)	(93 945)	(8 603)	(14 084)	(207 478)	(435 894)
Interest income	-	-	-	-	-	-	-	-	9 359	16 163	9 359	16 163
Other income (expense)	-	-	-	-	-	-	-	-	(37 837)	(124 421)	(37 837)	(124 421)
Gain on acquisition of subsidiaries	-	-	-	34 048	-	-	-	-	-	-	-	34 048
<b>Profit (loss) before tax</b>	<b>1 376 095</b>	<b>925 960</b>	<b>574 708</b>	<b>1 715 075</b>	<b>523 350</b>	<b>59 148</b>	<b>81 619</b>	<b>211 828</b>	<b>(360 367)</b>	<b>(654 479)</b>	<b>2 195 405</b>	<b>2 257 532</b>
Taxation	-	-	-	-	-	-	-	-	(47 141)	(19 392)	(47 141)	(19 392)
<b>Net profit (loss)</b>	<b>1 376 095</b>	<b>925 960</b>	<b>574 708</b>	<b>1 715 075</b>	<b>523 350</b>	<b>59 148</b>	<b>81 619</b>	<b>211 828</b>	<b>(407 508)</b>	<b>(673 871)</b>	<b>2 148 264</b>	<b>2 238 140</b>
<b>Consolidated total assets</b>	<b>4 743 246</b>	<b>3 917 218</b>	<b>9 077 798</b>	<b>8 376 946</b>	<b>1 699 790</b>	<b>1 030 271</b>	<b>861 450</b>	<b>865 729</b>	<b>1 892 786</b>	<b>1 197 744</b>	<b>18 275 070</b>	<b>15 387 908</b>
<b>Consolidated total liabilities</b>	<b>1 410 080</b>	<b>1 649 509</b>	<b>2 433 542</b>	<b>3 556 145</b>	<b>60 399</b>	<b>61 179</b>	<b>949 635</b>	<b>766 779</b>	<b>1 126 175</b>	<b>799 313</b>	<b>5 979 831</b>	<b>6 832 925</b>
<b>Other segment information:</b>												
Depreciation and amortisation	291 018	218 255	438 082	321 863	43 777	27 752	29 121	23 684	8 024	4 116	810 022	595 670
Additions to non-current assets:												
Property, plant and equipment	147 950	217 158	761 836	356 256	51 711	18 447	6 893	4 764	13 652	446	982 042	597 071
Intangible assets	-	-	-	-	-	-	-	-	5 551	5 976	5 551	5 976
Biological non-current assets	-	-	-	-	-	87	-	-	-	-	-	87

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Total revenues	155 835	100 178	115 124	51 909	22 788	16 906	58 001	53 073	6 411	3 537	358 159
Inter-segment revenues	-	-	9 421	9 125	-	-	-	-	-	-	9 421	9 125
<b>Revenues from external customers</b>	<b>155 835</b>	<b>100 178</b>	<b>105 703</b>	<b>42 784</b>	<b>22 788</b>	<b>16 906</b>	<b>58 001</b>	<b>53 073</b>	<b>6 411</b>	<b>3 537</b>	<b>348 738</b>	<b>216 478</b>
Total cost of revenues	(95 769)	(55 701)	(100 398)	(41 477)	(16 681)	(14 934)	(51 455)	(38 913)	(6 123)	(2 276)	(270 426)	(153 301)
Inter-segment cost of revenues	-	-	(9 421)	(9 125)	-	-	-	-	-	-	(9 421)	(9 125)
<b>Cost of revenues</b>	<b>(95 769)</b>	<b>(55 701)</b>	<b>(90 977)</b>	<b>(32 352)</b>	<b>(16 681)</b>	<b>(14 934)</b>	<b>(51 455)</b>	<b>(38 913)</b>	<b>(6 123)</b>	<b>(2 276)</b>	<b>(261 005)</b>	<b>(144 176)</b>
Changes in fair value of biological assets and agricultural produce	-	-	26 959	50 134	13 997	(3 500)	-	-	-	-	40 956	46 634
<b>Gross profit</b>	<b>60 066</b>	<b>44 477</b>	<b>41 685</b>	<b>60 566</b>	<b>20 104</b>	<b>(1 528)</b>	<b>6 546</b>	<b>14 160</b>	<b>288</b>	<b>1 261</b>	<b>128 689</b>	<b>118 936</b>
Other operating income	466	309	979	15 082	156	5 358	35	45	245	27	1 881	20 821
General and administrative expense	(3 217)	(5 268)	(4 979)	(3 079)	(739)	(751)	(307)	(368)	(7 663)	(5 412)	(16 905)	(14 878)
Selling and distribution expense	(7 492)	(4 116)	(11 552)	(3 750)	(1 353)	(601)	(1 793)	(2 950)	(372)	(1 054)	(22 562)	(12 471)
Other operating expense	(1 046)	(349)	(2 388)	(684)	(124)	(381)	(371)	(126)	(3 032)	(2 842)	(6 961)	(4 382)
<b>Profit (loss) from operations</b>	<b>48 777</b>	<b>35 053</b>	<b>23 745</b>	<b>68 135</b>	<b>18 044</b>	<b>2 097</b>	<b>4 110</b>	<b>10 761</b>	<b>(10 534)</b>	<b>(8 020)</b>	<b>84 142</b>	<b>108 026</b>
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	(461)	(10 750)	(461)	(10 750)
Interest expense	(1 761)	(2 464)	(3 678)	(9 116)	-	(1)	(1 275)	(3 318)	(292)	(498)	(7 006)	(15 397)
Interest income	-	-	-	-	-	-	-	-	316	571	316	571
Other income (expense)	-	-	-	-	-	-	-	-	(1 277)	(4 394)	(1 277)	(4 394)
Gain on acquisition of subsidiaries	-	-	-	1 230	-	-	-	-	-	-	-	1 230
<b>Profit (loss) before tax</b>	<b>47 016</b>	<b>32 589</b>	<b>20 067</b>	<b>60 249</b>	<b>18 044</b>	<b>2 096</b>	<b>2 835</b>	<b>7 443</b>	<b>(12 248)</b>	<b>(23 091)</b>	<b>75 714</b>	<b>79 286</b>
Taxation	-	-	-	-	-	-	-	-	(1 605)	(669)	(1 605)	(669)
<b>Net profit (loss)</b>	<b>47 016</b>	<b>32 589</b>	<b>20 067</b>	<b>60 249</b>	<b>18 044</b>	<b>2 096</b>	<b>2 835</b>	<b>7 443</b>	<b>(13 853)</b>	<b>(23 760)</b>	<b>74 109</b>	<b>78 617</b>
<b>Consolidated total assets</b>	<b>151 849</b>	<b>134 725</b>	<b>290 615</b>	<b>288 108</b>	<b>54 417</b>	<b>35 434</b>	<b>27 578</b>	<b>29 775</b>	<b>60 598</b>	<b>41 195</b>	<b>585 057</b>	<b>529 237</b>
<b>Consolidated total liabilities</b>	<b>45 142</b>	<b>56 731</b>	<b>77 907</b>	<b>122 306</b>	<b>1 934</b>	<b>2 104</b>	<b>30 401</b>	<b>26 372</b>	<b>36 053</b>	<b>27 492</b>	<b>191 437</b>	<b>235 005</b>
<b>Other segment information:</b>												
Depreciation and amortisation	9 891	7 687	14 889	11 336	1 488	977	990	834	273	146	27 531	20 980
Additions to non-current assets:												
Property, plant and equipment	5 028	7 648	25 893	12 548	1 758	650	234	168	462	14	33 375	21 028
Intangible assets	-	-	-	-	-	-	-	210	189	-	189	210
Biological non-current assets	-	-	-	-	-	3	-	-	-	-	-	3

**17 RELATED PARTY TRANSACTIONS**

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's associates, joint ventures, the shareholders, companies that are under control of the Group's shareholders, key management personnel and their close family members and companies that are controlled or significantly influenced by shareholders. Prices for related party transactions are determined on an ongoing basis. The terms of related party transactions may differ from market terms.

The following table summarises transactions that have been entered into with related parties for the three months ended 30 September 2017 as well as balances with related parties as at 30 September 2017:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	82	9 583	45 339	188 779
Associate	-	-	1 022	171
	<b>82</b>	<b>9 583</b>	<b>46 361</b>	<b>188 950</b>

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	2	313	1 451	6 044
Associate	-	-	33	5
	<b>2</b>	<b>313</b>	<b>1 484</b>	<b>6 049</b>

The following table summarises transactions that have been entered into with related parties for the nine months ended 30 September 2017 as well as balances with related parties as at 30 September 2017:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	2 781	33 440	45 339	188 779
Associate	-	-	1 022	171
	<b>2 781</b>	<b>33 440</b>	<b>46 361</b>	<b>188 950</b>

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under common control	95	1 137	1 451	6 044
Associate	-	-	33	5
	<b>95</b>	<b>1 137</b>	<b>1 484</b>	<b>6 049</b>

The following table summarises transactions that have been entered into with related parties for the three months ended 30 September 2016 as well as balances with related parties as of 30 September 2016:

<i>(in thousands of Ukrainian hryvnias )</i>	<b>Sales to related parties:</b>	<b>Purchases from related parties:</b>	<b>Amounts owed by related parties:</b>	<b>Amounts owed to related parties:</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Companies under common control	12 487	8 349	53 630	174 263
Associate	-	-	1 022	171
	12 487	8 349	54 652	174 434

<i>(in thousands of Euros)</i>	<b>Sales to related parties:</b>	<b>Purchases from related parties:</b>	<b>Amounts owed by related parties:</b>	<b>Amounts owed to related parties:</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Companies under common control	440	294	1 844	5 993
Associate	-	-	35	6
	440	294	1 879	5 999

The following table summarises transactions that have been entered into with related parties for the nine months ended 30 September 2016 as well as balances with related parties as of 30 September 2016:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>Sales to related parties:</b>	<b>Purchases from related parties:</b>	<b>Amounts owed by related parties:</b>	<b>Amounts owed to related parties:</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Companies under common control	17 979	11 349	53 630	174 263
Associate	-	-	1 022	171
	17 979	11 349	54 652	174 434

<i>(in thousands of Euros)</i>	<b>Sales to related parties:</b>	<b>Purchases from related parties:</b>	<b>Amounts owed by related parties:</b>	<b>Amounts owed to related parties:</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Companies under common control	633	400	1 844	5 993
Associate	-	-	35	6
	633	400	1 879	5 999

## **18 EVENTS SUBSEQUENT TO THE REPORTING DATE**

On October 27, 2017, the Group signed agreement for acquisition of 100% ownership interest in entities LLC "AC Agro-Ka Poltava" and LLC "Zlagoda Plus" which are non-listed agricultural companies located in Ukraine with the purpose to expand the agricultural land leases bank. The Group made advance payment in amount of UAH 49,778 thousand. The acquisition is expected to be completed till the end of the year.

7 November 2017

Amsterdam, the Netherlands

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk                      (signed)

V. Gladkyi                        (signed)

M.M.L.J. van Campen        (signed)

H.Dahl                             (signed)

W.T. Bartoszewski            (signed)



**ASTARTA**  
Holding N.V.

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