

ASTARTA HOLDING N.V.

INTERIM REPORT

of the Board of Directors
for the period of nine months ending 30 September 2019



ASTARTA Holding N.V.
agri-industrial holding

Overview

ASTARTA's consolidated revenues for the 9 months of 2019 increased by 32% y-o-y to EUR 334m mainly driven by strong sales of agricultural produce. Export sales were up contributing 58% of the Company's revenues. The Agricultural segment contributed 47% to the total revenues, or EUR 155m, on 2.6x growth of corn sales volumes. Revenues of the Sugar segment stood at EUR 87m (down by 10% y-o-y) on lower sales volumes and flat prices. In September 2019 the Company started the new sugar production season having adjusted to unfavorable market environment by reducing the target volume of sugar to 300kt. The Soybean processing segment generated EUR 62m of revenues (up by 15% y-o-y) on stronger sales volumes of key products. The Dairy revenues increased by 17% y-o-y to EUR 25m as a result of better pricing environment.

Gross profit margin stood at 17% (vs 34%) during the reporting period as a result of higher growth of cost of revenues on appreciation of the local currency and lower contribution of the remeasurement of agricultural produce.

In 9M19 ASTARTA focused on maximizing its operating cash flows through release of working capital and sale of inventories. This allowed the Company to repay EUR 136m of finance debt (EUR 76m on net basis as part of Financing Cash Flows).

Capex was reduced to maintenance levels across the segments apart from finalizing the EUR 61m 5-year investment project of completing 550kt silo storage facilities in 2019.

As at 30 September 2019 the breach of covenants was still in place. ASTARTA's management believes that the banks will not accelerate repayment of the loans.

Key financial data

EURk	9M18	9M19
Revenues, including	253 451	333 642
<i>Agriculture</i>	76 101	155 454
<i>Sugar</i>	96 273	86 809
<i>Soybean</i>	53 425	61 545
<i>Dairy</i>	21 331	24 947
Cost of sales, including	(222 703)	(300 532)
<i>Effect of FV remeasurement of AP</i>	(19 633)	(41 747)
Changes in FV of BA and AP*	56 329	23 994
Gross profit	87 077	57 104
<i>Gross profit margin</i>	34%	17%
EBIT	38 999	5 591
Depreciation & Amortisation	29 068	39 947
EBITDA, including	68 067	45 538
<i>Agriculture</i>	66 976	28 688
<i>Sugar</i>	3 724	3 855

<i>Soybean</i>	4 569	5 905
<i>Dairy</i>	(2 908)	7 252
<i>EBITDA margin</i>	27%	14%
Financial costs	(9 868)	(14 132)
Land lease costs	(9 718)	(13 155)
Forex gain/(loss)	(5 247)	22 697
Net profit (loss)	14 549	4 309
<i>Net profit (loss) margin</i>	6%	1%

*BA – Biological Assets, AP – Agricultural Produce

EURk	9M18	9M19
Pre-tax income	15 173	1 774
D&A	29 068	39 947
Financial interest expenses, net	8 381	12 875
Land lease expenses	9 718	13 155
Changes in FV of BA and AP	(56 329)	(23 994)
Forex gain/loss	5 247	(22 697)
Income taxes paid	(1 899)	(1 455)
Working Capital changes	(4 392)	104 021
Operating Cash Flows	8 121	124 898
Agricultural capex (incl. silo)	(23 001)	(14 318)
Other capex	(13 771)	(5 129)
Investing Cash Flows	(36 772)	(19 447)
Debt proceeds	156 776	60 331
Debt repayment	(100 390)	(135 925)
Finance interest paid	(8 113)	(14 389)
Land lease repayment	(18 464)	(21 624)
Financing Cash Flows	27 801	(111 607)

EURk	YE18	9M19
Right-of-use asset (land)	80 723	104 368
Biological assets (non-current)	17 064	23 026
PP&E and other	280 815	321 049
Inventories, including	234 939	163 821
<i>RMI*</i>	182 333	90 921
Biological assets (current)	16 004	79 103
AR and other	76 259	72 445
Cash and equivalents	13 492	8 219
Total Assets	719 296	772 031
Equity	362 969	440 039
Long-term loans	1 542	784
Land lease liability (mainly land)	59 063	78 494
Other	15 808	14 002

Non-current liabilities	76 413	93 280
ST debt and similar	230 601	171 526
Current lease liability (mainly land)	17 742	23 562
Other	31 571	43 624
Current liabilities	279 914	238 712
Total equity and liabilities	719 296	772 031
Net debt, including	295 456	266 147
<i>Lease liability (mainly land)</i>	76 805	102 056
Adj Net Debt (ND-RMI)	113 123	175 226
EBITDA (LTM)	56 872	34 343
<i>Net debt/EBITDA (LTM)</i>	5,2	7,7
<i>Adj Net Debt/EBITDA (LTM)</i>	2,0	5,1

*RMI = Finished Goods

Agriculture

Share in consolidated revenues: 47%
Segment revenues: EUR 155 million
Export sales of grains (value): 85%

Crops sales and price performance

	9M18	9M18	9M19	9M19
	kt	EUR/t	kt	EUR/t
Wheat	195	158	240	148
Corn	200	147	515	156
Sunseeds	48	305	51	292

EURk	9M18	9M19
Revenues	76 101	155 454
Cost of revenues	(68 062)	(144 431)
BA revaluation	61 240	21 053
Gross profit	69 279	32 076
<i>Gross margin</i>	91%	21%
G&A	(9 237)	(10 888)
S&D	(11 760)	(18 507)
Other income/costs	(1 405)	(1 165)
EBIT	46 877	1 516
EBITDA	66 976	28 688
<i>EBITDA margin</i>	88%	18%

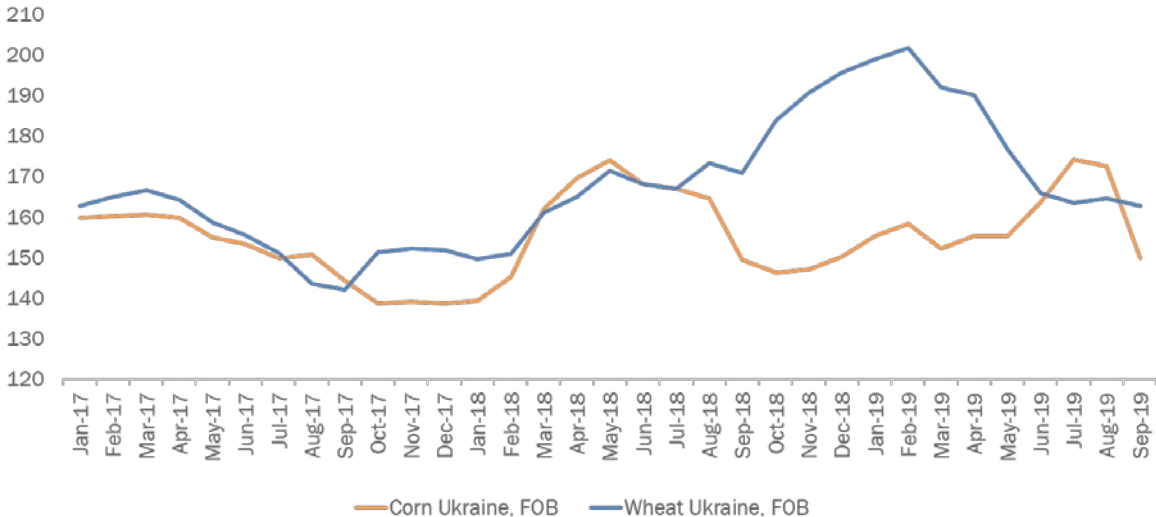
Key drivers for growth of the 9M19 revenues were sales of corn from 2018 harvest which increased by more than two-fold y-o-y to 515kt and strong wheat sales of 240kt (up by 23% y-o-y) of the new 2019 harvest. Exports by value were strong at 85% vs 76% of the revenues for the same period last year. Revenues grew by 104% y-o-y to EUR 155m making the segment the biggest contributor to the Company’s consolidated revenues with a 47% share. Gross Profit and EBITDA amounted to EUR 32m and EUR 29m in the 9M19, respectively, on weaker contribution of agricultural remeasurement and higher cost of revenues.

G&A expenses declined from 12% to 7% of the segment revenues y-o-y, S&D costs - from 15% to 12%, correspondingly, on higher sales volumes and change of delivery terms.

In October 2019, ASTARTA’s agricultural subsidiaries completed harvesting of oilseeds with sunflower yield at 2.9 t/ha (flat y-o-y) and soybean yield at 2.5 t/ha (down by 14% y-o-y). The total harvest of oilseeds was 170kt (down by 7% y-o-y). As of the date of the report ASTARTA almost finished harvesting corn and sugar beet (99% completed). The weather conditions in 2019 were not as favorable for late crops as last year, leading to lower oilseeds harvest as well as declining corn yields.

Price performance of key grain crops in the reporting period was mixed under different factors such as global supply and demand estimates, start of the new marketing season in the Black Sea region, uncertainties over planting and harvesting campaigns in key producing countries as well as trade disputes between USA and China.

Ukrainian and international grain price performance, EUR/t



Source: APK-inform

Sugar

Share in consolidated revenues: 26%
Segment revenues: EUR 87 million
Export sales of sugar (value): 6%

	9M18	9M19
Sugar, kt	273	240
Sugar-by products, kt	280	218
Sugar prices, EUR/t	333	339

EURk	9M18	9M19
Revenues	96 273	86 809
Cost of revenues	(83 618)	(80 207)
Gross profit	12 655	6 602
<i>Gross margin</i>	13%	8%
G&A	(4 730)	(4 778)
S&D	(10 163)	(6 357)
Other income/costs	(582)	(650)
EBIT	(2 820)	(5 183)
EBITDA	3 724	3 855
<i>EBITDA margin</i>	4%	4%

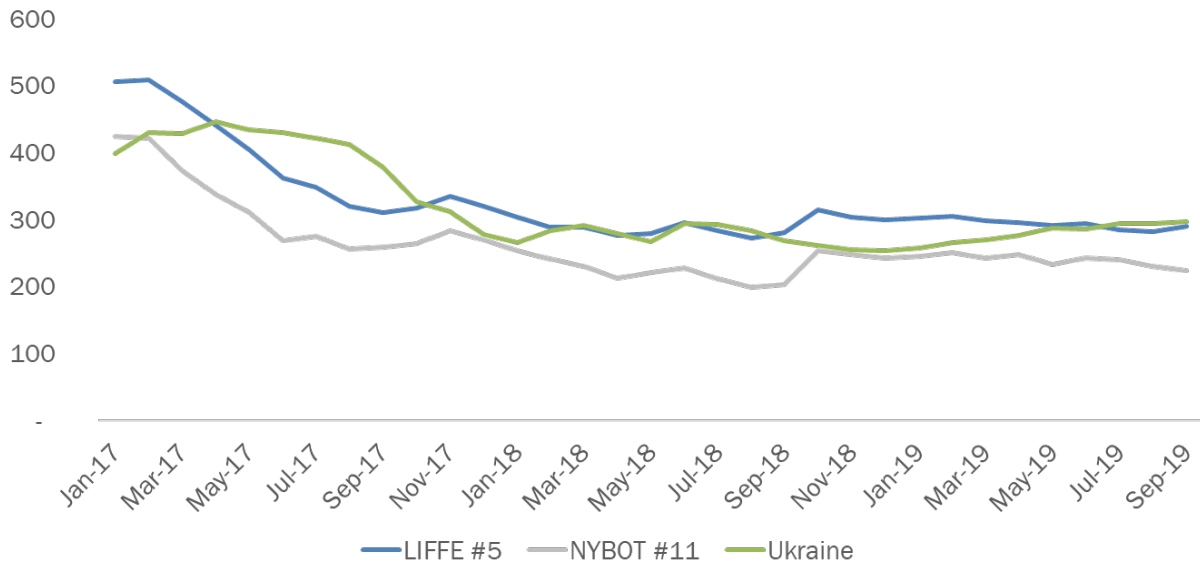
Sugar revenues amounted to EUR 87m (down by 10% y-o-y) on almost flat sugar price and decline in sugar sales volumes by 12% to 240kt amid unfavorable development of local and global sugar prices for the two consecutive years. The Company exported 16kt of sugar (down by 86% y-o-y). Gross Margin compressed by 5pp to 8% in the reporting period from 13% in the 9M18. Segment's EBITDA amounted to EUR 3.9m for the 9M19, almost flat y-o-y.

In September 2019 ASTARTA started the new sugar production season. Adjusting to the adverse market environment, the Company decreased area planted under sugar beets and reduced the number of running sugar plants from seven to six. The Company forecasts its sugar production at 300kt (down by 15% y-o-y) in the 2019 production season. As of the November 14th, the Company produced c. 235kt of sugar.

The Ukrainian sugar production campaign for 2019/20 season started with 31 sugar plants (compared to 40 in 2018), the lowest in the history of Ukraine, and the area planted under sugar beet was reduced by one third. The market continues adjusting after three years of surplus supply, followed by a cut in the planting area and lower sugar beet yields. The Ukrainian sugar producers lowered export volume by half during the 9M19 to 221kt. As of the date of report publication, the Ukrainian

sugar plants produced over one million tons of sugar (down by 10% y-o-y). However, these actions have not yet contributed to the recovery of the sugar price on the domestic market. For the reporting period the average local sugar price stood at EUR 281 kt (flat y-o-y).

Sugar price performance, EUR/t



Source: AAA

Soybean

Share in consolidated revenues: 18%
 Segment revenues: EUR 62 million
 Export sales of soybean products (value): 89%

Soybean products sales and price performance

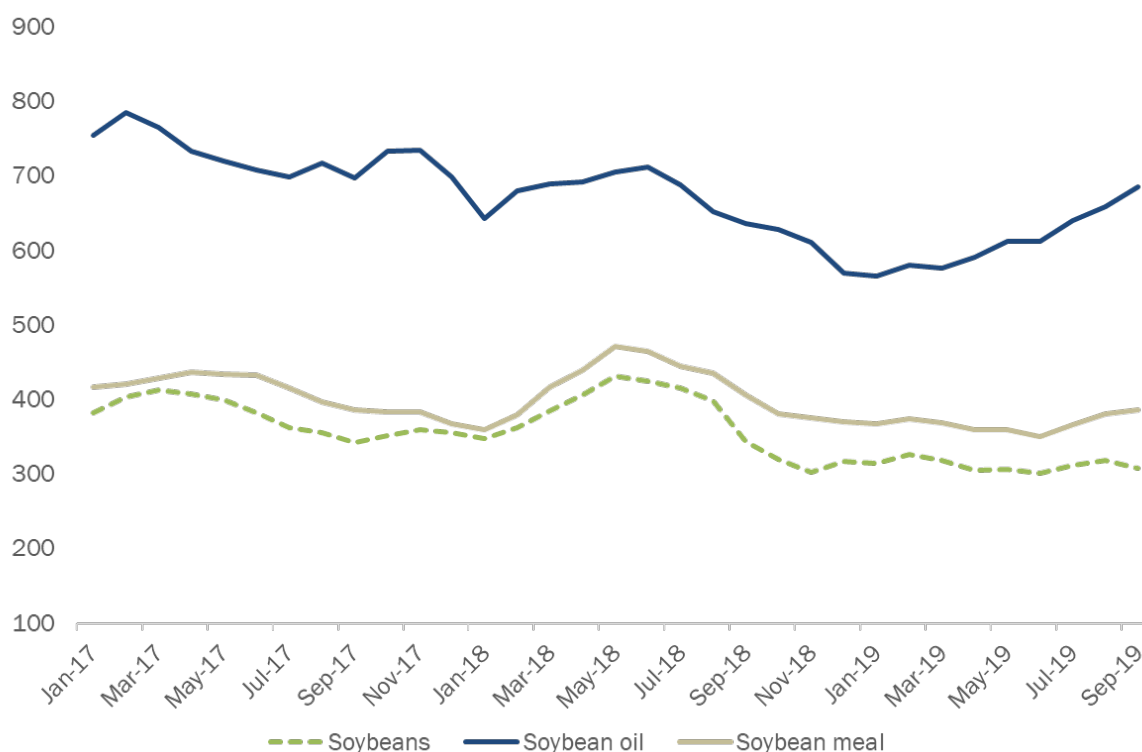
	9M18	9M18	9M19	9M19
	kt	EUR/t	kt	EUR/t
Soybean meal	107	340	122	326
Soybean oil	26	620	35	583

EURk	9M18	9M19
Revenues	53 425	61 545
Cost of revenues	(46 553)	(51 926)
Gross profit	6 872	9 619
<i>Gross profit margin</i>	<i>13%</i>	<i>16%</i>
G&A	(496)	(423)
S&D	(2 310)	(3 807)
Other income/costs	(334)	(588)
EBIT	3 732	4 801
EBITDA	4 569	5 905
<i>EBITDA margin</i>	<i>9%</i>	<i>10%</i>

The soybean processing segment improved its profitability despite lower product prices on stronger sales volumes. Gross Margin was recorded at 16% in the 9M19 vs 13% a year ago. EBITDA amounted to EUR 6m compared to EUR 5m for 9M18. Exports of soybean products totaled EUR 55m (up by 34% y-o-y).

Abundant supply of raw materials on the local market lead to the decline of soybean prices and improvement of the crushing margin. The global market environment, also characterized by soybean overproduction, high levels of ending stocks, and US-China trade disputes, supported this trend. As a result, the area planted under soybeans in Ukraine declined by 8% y-o-y to 1.6m ha in 2019. At the date of the report publication, the Ukrainian farmers harvested 3.7 mt of soybeans.

Ukrainian price for soybeans and soybean products, EUR/t



Source: APK-inform

Dairy

Share in consolidated revenues: 7%
Segment revenues: EUR 25 million
100% - domestic sales

Segment performance

	9M18	9M19
Milk production, kt	80	74
Herd, k heads	26	24
Milk yield, kg/day	20.4	20.5
Milk sales, kt	79	72
Milk price, EUR/t	245	308

EURk	9M18	9M19
Revenues	21 331	24 947
Cost of revenues	(18 307)	(20 211)
BA revaluation	(4 911)	2 941
Gross profit	(1 887)	7 677
<i>Gross margin</i>	<i>(9%)</i>	<i>31%</i>
G&A	(2 124)	(1 164)
S&D	(291)	(303)
Other income/costs	266	(140)
EBIT	(4 036)	6 070
EBITDA	(2 908)	7 252
<i>EBITDA margin</i>	<i>(14%)</i>	<i>29%</i>

Dairy revenues increased by 17% y-o-y to EUR 25m. The growth was supported by favorable market environment as well as appreciation of hryvna, thus the average price increased by 26% y-o-y to EUR 308. Sales volumes of milk declined by 8% y-o-y to 72kt reflecting reduction in the herd from 26 to 24 kheads in the reporting period. EBITDA increased to EUR 7.2m from negative EUR 2.9m a year ago.

According to the Ukrainian State Statistics Service milk production continued to decline and was down by 4.0% y-o-y to 7.6 mt during the 9 months of 2019. Industrial milk production decreased by 1,3% to 2.1 mt in the respective period.

STATEMENT OF THE BOARD OF DIRECTORS

Representation

of the Board of Directors of ASTARTA Holding N.V. on compliance of the condensed consolidated interim financial statements. The Board of Directors of ASTARTA Holding N.V. hereby represents that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 September 2019 and the comparable information were prepared in accordance with the 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 ended 30 September 2019 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

V. Gladkyi (signed)

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

H.A Dahl (signed)

G.Mettetal (signed)

H.Arslan (signed)

Disclaimer regarding forecasts. Certain statements contained in this report may constitute forecasts and estimates. Such predictions are subject to a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied via forward-looking statements.

ASTARTA HOLDING N.V.

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2019**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		8 182 550	8 526 550	7 773 929
Right-of-use asset	5	2 748 489	2 560 064	2 427 572
Investment property		74 861	74 285	78 073
Intangible assets		34 917	33 826	34 186
Biological assets	6	606 378	541 182	650 091
Value added tax		120 358	221 811	1 083 495
Long-term receivables and prepayments	8	42 014	49 313	21 433
		11 809 567	12 007 031	12 068 779
Current assets				
Inventories	7	4 314 194	7 450 931	5 895 623
Biological assets	6	2 083 150	507 540	3 066 784
Trade accounts receivable	8	525 331	699 045	365 237
Other accounts receivable and prepayments	8	1 370 197	1 710 538	504 647
Current income tax		12 315	8 877	35 121
Short-term cash deposits		13 562	9 013	25 964
Cash and cash equivalents		202 875	418 882	484 594
		8 521 624	10 804 826	10 377 970
Total assets		20 331 191	22 811 857	22 446 749
EQUITY AND LIABILITIES				
Equity				
Share capital		1 663	1 663	1 663
Additional paid-in capital		369 798	369 798	369 798
Retained earnings		8 210 078	7 667 485	8 712 663
Revaluation surplus		2 646 961	3 072 158	2 533 911
Treasury shares		(119 260)	(119 260)	(104 594)
Currency translation reserve		479 060	519 416	521 285
Total equity		11 588 300	11 511 260	12 034 726
Non-current liabilities				
Loans and borrowings	9	20 639	48 910	178 923
Non-controlling interests in limited liability companies		30 992	45 132	42 048
Other long-term liabilities		2 839	2 411	3 466
Lease liability	5	2 067 107	1 873 145	1 803 258
Deferred tax liabilities		334 885	453 786	333 129
		2 456 462	2 423 384	2 360 824
Current liabilities				
Loans and borrowings	9	4 426 998	7 142 803	6 559 620
Current portion of long-term loans and borrowings	9	90 059	170 499	110 211
Trade accounts payable		376 618	216 354	303 562
Current portion of lease liability	5	620 495	562 687	377 795
Current income tax		21 427	50 199	3 128
Other liabilities and accounts payable	10	750 832	734 671	696 883
		6 286 429	8 877 213	8 051 199
Total equity and liabilities		20 331 191	22 811 857	22 446 749

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

<i>(in thousands of Euros)</i>	Notes	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		310 716	268 857	234 658
Right-of-use asset	5	104 368	80 723	73 277
Investment property		2 843	2 342	2 357
Intangible assets		1 325	1 067	1 032
Biological assets	6	23 026	17 064	19 623
Value added tax		4 570	6 994	32 706
Long-term receivables and prepayments	8	1 595	1 555	647
		448 443	378 602	364 300
Current assets				
Inventories	7	163 821	234 939	177 962
Biological assets	6	79 103	16 004	92 572
Trade accounts receivable	8	19 948	22 042	11 025
Other accounts receivable and prepayments	8	52 029	53 937	15 234
Current income tax		468	280	1 060
Short-term cash deposits		515	284	784
Cash and cash equivalents		7 704	13 208	14 628
		323 588	340 694	313 265
Total assets		772 031	719 296	677 565
EQUITY AND LIABILITIES				
Equity				
Share capital		250	250	250
Additional paid-in capital		55 638	55 638	55 638
Retained earnings		484 103	462 622	494 436
Revaluation surplus		121 689	138 861	122 756
Treasury shares		(5 527)	(5 527)	(5 070)
Currency translation reserve		(216 114)	(288 875)	(304 734)
Total equity		440 039	362 969	363 276
Non-current liabilities				
Loans and borrowings	9	784	1 542	5 401
Non-controlling interests in limited liability companies		1 177	1 423	1 269
Other long-term liabilities		108	76	105
Lease liability	5	78 494	59 063	54 432
Deferred tax liabilities		12 717	14 309	10 056
		93 280	76 413	71 263
Current liabilities				
Loans and borrowings	9	168 106	225 225	198 003
Current portion of long-term loans and borrowings	9	3 420	5 376	3 327
Trade accounts payable		14 301	6 823	9 163
Current portion of lease liability	5	23 562	17 742	11 404
Current income tax		814	1 583	94
Other liabilities and accounts payable	10	28 509	23 165	21 035
		238 712	279 914	243 026
Total equity and liabilities		772 031	719 296	677 565

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2019 (unaudited)	2018 (unaudited)
Revenues	11	2 969 643	2 492 110
Cost of revenues	12	(2 665 342)	(2 179 538)
Changes in fair value of biological assets and agricultural produce		(681 765)	281 584
Gross profit		(377 464)	594 156
Other operating income	13	33 762	13 203
General and administrative expense	14	(202 433)	(226 524)
Selling and distribution expense	15	(311 049)	(322 819)
Other operating expense	16	(104 167)	(117 571)
Profit from operations		(961 351)	(59 555)
Finance costs	17	(124 417)	(119 218)
Interest expense on lease liability	17	(124 251)	(91 149)
Foreign currency exchange gain/loss	17	353 446	(467 561)
Finance income	17	14 922	4 234
Other expense/income		641	(5 583)
Profit before tax		(841 010)	(738 832)
Income tax income/expense		60 668	16 539
Net profit (loss)		(780 342)	(722 293)
Net profit attributable to:			
Equity holders of the parent company		(780 342)	(722 293)
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 386
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		(32.00)	(29.62)

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Euros)</i>	<i>Notes</i>	2019 (unaudited)	2018 (unaudited)
Revenues	11	105 678	78 336
Cost of revenues	12	(94 849)	(68 511)
Changes in fair value of biological assets and agricultural produce		(22 454)	8 851
Gross profit		(11 625)	18 676
Other operating income	13	1 133	439
General and administrative expense	14	(7 204)	(7 120)
Selling and distribution expense	15	(11 069)	(10 147)
Other operating expense	16	(3 638)	(3 720)
Profit from operations		(32 403)	(1 872)
Finance costs	17	(4 409)	(3 592)
Interest expense on lease liability	17	(4 422)	(2 707)
Foreign currency exchange gain/loss	17	12 578	(14 995)
Finance income	17	513	118
Other expense/income		22	(175)
Profit before tax		(28 121)	(23 223)
Income tax income/expense		2 159	520
Net profit (loss)		(25 962)	(22 703)
Net profit attributable to:			
Equity holders of the parent company		(25 962)	(22 703)
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		(1.06)	(0.93)

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Ukrainian hryvnias)</i>	<i>Notes</i>	2019 (unaudited)	2018 (unaudited)
Revenues	11	9 908 979	8 175 527
Cost of revenues	12	(8 923 778)	(7 180 585)
Changes in fair value of biological assets and agricultural produce		711 271	1 780 574
Gross profit		1 696 472	2 775 516
Other operating income	13	70 179	46 468
General and administrative expense	14	(528 786)	(575 416)
Selling and distribution expense	15	(867 103)	(827 009)
Other operating expense	16	(197 306)	(191 529)
Profit from operations		173 456	1 228 030
Finance costs	17	(420 314)	(317 798)
Interest expense on lease liability	17	(389 865)	(312 978)
Foreign currency exchange gain/loss	17	658 741	(159 133)
Finance income	17	29 800	29 079
Other expense/income		(6 879)	3 262
Loss/Profit before tax		44 939	470 462
Income tax income/expense		72 457	(19 480)
Net profit		117 396	450 982
Net profit attributable to:			
Equity holders of the parent company		117 396	450 982
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		4.81	18.48

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Euros)</i>	<i>Notes</i>	2019	2018
		(unaudited)	(unaudited)
Revenues	11	333 642	253 451
Cost of revenues	12	(300 532)	(222 703)
Changes in fair value of biological assets and agricultural produce		23 994	56 329
Gross profit		57 104	87 077
Other operating income	13	2 331	1 464
General and administrative expense	14	(17 942)	(17 985)
Selling and distribution expense	15	(29 244)	(25 613)
Other operating expense	16	(6 658)	(5 944)
Profit from operations		5 591	38 999
Finance costs	17	(14 132)	(9 868)
Interest expense on lease liability	17	(13 155)	(9 718)
Foreign currency exchange gain/loss	17	22 697	(5 247)
Finance income	17	1 002	903
Other expense/income		(229)	104
Loss/Profit before tax		1 774	15 173
Income tax income/expense		2 535	(624)
Net profit		4 309	14 549
Net profit attributable to:			
Equity holders of the parent company		4 309	14 549
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 386	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		0.18	0.60

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Ukrainian hryvnias)</i>	2019	2018
	(unaudited)	(unaudited)
Loss/Profit for the period	117 396	450 982
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	(68 227)	24 176
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(68 227)	24 176
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	27 871	2 043
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	-	1 117
Income tax effect	-	(201)
	-	916
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	27 871	2 959
Total comprehensive income	77 040	478 117
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	77 040	478 117
Total comprehensive income as at 30 September	77 040	478 117

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Euros)</i>	2019	2018
	(unaudited)	(unaudited)
Loss/Profit for the period	4 309	14 549
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	72 761	3 690
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	72 761	3 690
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	-	-
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	-	34
Income tax effect	-	(6)
	-	28
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	28
Total comprehensive income (loss)	77 070	18 268
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	77 070	18 268
Total comprehensive income as at 30 September	77 070	18 268

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2019 (unaudited)	2018 (unaudited)
Operating activities			
Loss/Profit before tax		44 939	470 462
<i>Adjustments for:</i>			
Depreciation and amortization		1 184 164	936 231
Allowance for impairment of trade and other accounts receivable		10 277	25 161
Loss on disposal of property, plant and equipment	16	47 114	22 504
Write down of inventories	16	3 009	26 001
VAT written off	16	16 771	17 563
Interest income	17	(19 644)	(17 038)
Gain on non-controlling interest purchase	17	(10 156)	(12 041)
Interest expense	17	402 591	286 939
Other finance costs	17	21 766	30 233
Interest expense on lease liability	5	389 865	312 978
Changes in fair value of biological assets and agricultural produce		(711 271)	(1 780 574)
Recovery of assets previously written off	13	(47 808)	(8 254)
Non-controlling interests in limited liability companies	17	(4 043)	626
Foreign exchange (gain)loss on loans and borrowings, deposits	17	(658 741)	159 133
<i>Working capital adjustments:</i>			
Decrease in inventories		3 565 075	1 536 242
Decrease/Increase in trade and other receivables		655 654	(254 630)
Increase in biological assets due to other changes		(1 313 074)	(1 539 006)
Increase in trade and other payables		175 866	115 918
Income taxes paid		(43 137)	(61 160)
Cash flows provided by operating activities		3 709 217	267 288
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(602 602)	(1 134 032)
Proceeds from disposal of property, plant and equipment		10 750	660
Interest received	17	19 644	17 038
Cash deposits placement		(23 683)	(25 964)
Cash deposits withdrawal		19 454	(42 048)
Cash flows used in investing activities		(576 437)	(1 184 346)
Financing activities			
Proceeds from loans and borrowings		1 788 415	5 049 508
Repayment of loans and borrowings		(4 029 301)	(3 233 386)
Purchase of treasury shares		-	(8 660)
Payment of lease liabilities	5	(641 015)	(594 699)
Acquisition of non-controlling interest		-	(56 014)
Interest paid		(426 530)	(261 306)
Cash flows (used in) provided by financing activities		(3 308 431)	895 443
Net decrease in cash and cash equivalents		(175 651)	(21 615)
Cash and cash equivalents as at 1 January		418 882	479 990
Currency translation difference		(40 356)	26 219
Cash and cash equivalents as at 30 September		202 875	484 594

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2019**

<i>(in thousands of Euros)</i>	<i>Notes</i>	2019	2018
		(unaudited)	(unaudited)
Operating activities			
Loss/Profit before tax		1 774	15 173
<i>Adjustments for:</i>			
Depreciation and amortization		39 947	29 068
Allowance for impairment of trade and other accounts receivable		347	780
Loss on disposal of property, plant and equipment	16	1 590	698
Write down of inventories	16	102	807
VAT written off	16	566	545
Interest income	17	(661)	(529)
Gain on non-controlling interest purchase	17	(341)	(374)
Interest expense	17	13 536	8 910
Other finance costs	17	732	939
Interest expense on lease liability	5	13 155	9 718
Changes in fair value of biological assets and agricultural produce		(23 994)	(56 329)
Recovery of assets previously written off	13	(1 588)	(260)
Non-controlling interests in limited liability companies	17	(136)	19
Foreign exchange (gain)loss on loans and borrowings, deposits	17	(22 697)	5 247
<i>Working capital adjustments:</i>			
Decrease in inventories		120 265	47 697
Decrease/Increase in trade and other receivables		22 118	(7 905)
Increase in biological assets due to other changes		(44 295)	(47 783)
Increase in trade and other payables		5 933	3 599
Income taxes paid		(1 455)	(1 899)
Cash flows provided by operating activities		124 898	8 121
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(20 328)	(35 209)
Proceeds from disposal of property, plant and equipment		363	20
Interest received	17	661	529
Cash deposits placement		(799)	(806)
Cash deposits withdrawal		656	(1 306)
Cash flows used in investing activities		(19 447)	(36 772)
Financing activities			
Proceeds from loans and borrowings		60 331	156 776
Repayment of loans and borrowings		(135 925)	(100 390)
Purchase of treasury shares		-	(269)
Payment of lease liabilities	5	(21 624)	(18 464)
Acquisition of non-controlling interest		-	(1 739)
Interest paid		(14 389)	(8 113)
Cash flows (used in) provided by financing activities		(111 607)	27 801
Net decrease in cash and cash equivalents		(6 156)	(850)
Cash and cash equivalents as at 1 January		13 208	14 330
Currency translation difference		652	1 148
Cash and cash equivalents as at 30 September		7 704	14 628

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	1 663	369 798	7 667 485	3 072 158	(119 260)	519 416	11 511 260
Net loss/profit	-	-	117 396	-	-	-	117 396
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	-	-	-	-
Exchange difference on translation	-	-	-	-	-	(40 356)	(40 356)
Total other comprehensive income, net of tax	-	-	-	-	-	(40 356)	(40 356)
Total comprehensive income	-	-	117 396	-	-	(40 356)	77 040
Realisation of revaluation surplus, net of tax	-	-	425 197	(425 197)	-	-	-
As at 30 September 2019	1 663	369 798	8 210 078	2 646 961	(119 260)	479 060	11 588 300

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	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	250	55 638	462 622	138 861	(5 527)	(288 875)	362 969
Net loss/profit	-	-	4 309	-	-	-	4 309
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	-	-	-	-
Exchange difference on translation	-	-	-	-	-	72 761	72 761
Total other comprehensive income, net of tax	-	-	-	-	-	72 761	72 761
Total comprehensive income	-	-	4 309	-	-	72 761	77 070
Realisation of revaluation surplus, net of tax	-	-	17 172	(17 172)	-	-	-
As at 30 September 2019	250	55 638	484 103	121 689	(5 527)	(216 114)	440 039

The notes on pages 25 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

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	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2018	1 663	369 798	8 036 911	2 842 286	(95 934)	495 066	11 649 790
Net profit	-	-	450 982	-	-	-	450 982
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	916	-	-	916
Exchange difference on translation	-	-	-	-	-	26 219	26 219
Total other comprehensive income, net of tax	-	-	-	916	-	26 219	27 135
Total comprehensive income	-	-	450 982	916	-	26 219	478 117
Purchase of own shares	-	-	-	-	(8 660)	-	(8 660)
Realisation of revaluation surplus, net of tax	-	-	309 291	(309 291)	-	-	-
Adjustments on adoption of IFRS 16 (net of tax)	-	-	(84 521)	-	-	-	(84 521)
As at 30 September 2018	1 663	369 798	8 712 663	2 533 911	(104 594)	521 285	12 034 726

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	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2018	250	55 638	468 135	137 003	(4 801)	(308 425)	347 800
Net profit	-	-	14 549	-	-	-	14 549
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	28	-	-	28
Exchange difference on translation	-	-	-	-	-	3 691	3 691
Total other comprehensive income, net of tax	-	-	-	28	-	3 691	3 719
Total comprehensive income	-	-	14 549	28	-	3 691	18 268
Purchase of own shares	-	-	-	-	(269)	-	(269)
Realisation of revaluation surplus, net of tax	-	-	14 275	(14 275)	-	-	-
Adjustments on adoption of IFRS 16 (net of tax)	-	-	(2 523)	-	-	-	(2 523)
As at 30 September 2018	250	55 638	494 436	122 756	(5 070)	(304 734)	363 276

The notes on pages 25 to 49 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, Ternopil, Zhytomyr 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

During nine months ended 30 September 2019 annual inflation rate decreased to 8.8% (2018: 14%). In 2018 year, the Ukrainian economy proceeded with recovery from the economic and political crisis of previous years and demonstrated sound real GDP growth of around 3% (2017: 2%), modest annual inflation of 10% (2017: 14%), and slight devaluation of national currency by around 2% to USD and 7% to EUR compared to previous year averages.

Also, Ukraine continued to limit its political and economic ties with Russia, given annexation of Crimea, an autonomous republic of Ukraine, and a frozen armed conflict with separatists in certain parts of Luhanska and Donetska regions. Amid such events, the Ukrainian economy demonstrated further refocusing on the European Union ("EU") market under the framework of the Deep and Comprehensive Free Trade Area with EU, to mitigate mutual trading restrictions imposed between Ukraine and Russia. As a result, the weight of the Russian's export and import substantially fell from 18.2% and 23.3% in 2014 to around 7.7% and 14.2% in 2018, respectively.

In terms of currency regulations, the new currency law was adopted in 2018 and came into force on 7 February 2019. It purports to enable the NBU to promulgate more liberal currency regulation and soften a number of currency restrictions, such as: requirement to register loans obtained from non-residents with the NBU, a 180-day term for making payments in foreign economic transactions, etc.

Further economic growth depends, to a large extent, upon success of the Ukrainian government in realization of planned reforms, cooperation with the International Monetary Fund ("IMF").

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements for the nine months ended 30 September 2019 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 2018 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 2019. 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 2019 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

Name	Activity	30 September 2019 % of ownership	31 December 2018 % of ownership	30 September 2018 % of ownership
Subsidiaries:				
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	99.98%	99.50%	99.50%
LLC "Shyshaki combined forage factory"	Fodder production	90.56%	90.56%	90.56%
LLC "Agricultural company "Dobrobut"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Musievske"	Agricultural	99.98%	99.98%	99.98%
LLC "Globinskiy processing factory"	Soybean processing	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region)				
**	Agricultural	0.00%	99.88%	99.88%
LLC "Investment company "Poltavazernoproduct"	Agricultural	99.98%	99.98%	99.98%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	99.95%	99.95%	99.95%
LLC "Khmilnitske"	Agricultural	99.98%	99.98%	99.98%
LLC "Volochnysk-Agro"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Mirgorodska" *	Agricultural	0.00%	99.98%	99.98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	98.59%	98.59%	98.59%
LLC "Agricultural company "Astarta Prykhorollia" ***	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Lan" **	Agricultural	99.98%	99.98%	99.98%
LLC "Nika"	Agricultural	99.98%	99.98%	99.98%
LLC "Zhytnytsya Podillya"	Agricultural	96.98%	96.98%	96.98%
LLC "Astarta-Selektsiya"	Research and development	99.98%	99.98%	74.98%
LLC "Agrosvit Savyntsi"	Agricultural	99.98%	99.98%	99.98%
ALC "Novoivanivskiy sugar plant"	Sugar production	95.09%	94.49%	94.49%
LLC "Investpromgaz"	Trade	99.98%	99.98%	99.98%
LLC "Tsukragromprom"	Trade	99.98%	99.98%	99.98%
LLC "Zerno-Agrotrade"	Trade	99.98%	99.98%	99.98%
LLC "Novoorzhytskiy sugar plant"	Sugar production	99.98%	99.98%	99.98%
LLC "APK Savynska"	Sugar production	99.98%	99.98%	99.98%
LLC "Kochubeyivske"	Trade	59.71%	59.71%	59.70%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	99.98%	99.98%	99.98%
LLC "Savynsi agro" *	Agricultural	0.00%	99.98%	99.98%
PE "TMG"	Agricultural	99.98%	99.98%	99.98%
LLC "Eco Energy"	Agricultural	99.98%	99.98%	99.98%
ALLC "Lyaschivka"	Agricultural	99.98%	99.98%	99.98%
PLC "Agrotechnika Kobelyaki" ****	Agricultural	0.00%	51.64%	51.64%
LLC "Agri Chain"	Research and development	99.98%	99.98%	99.98%
ALC "Narkevitskiy sugar plant"	Sugar production	99.98%	99.98%	99.98%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	99.98%	99.98%	99.98%
Astarta Trading GmbH	Trade	100.00%	100.00%	100.00%
LLC "Pochayna-Office"	Asset management	99.98%	99.98%	99.98%
LLC "Pochayna-Nerukhomist" **	Asset management	0.00%	0.00%	99.98%
LLC "Agricultural company "Yaroslavska" **	Agricultural	0.00%	0.00%	0.00%

* In March 2019, LLC “Savynci agro” was merged with LLC “Agrosvit Savyntsi”.

In April 2019, LLC “Agricultural company “Mirgorodska” was merged with LLC “Agricultural company “Astarta Prykhorollia”.

** LLC “Dobrobut” (Novo-Sanzharskiy region) and LLC "Pochayna-Nerukhomist" as at 30 September 2019 were liquidated. LLC “Agricultural company “Lan” as at 30 September 2019 was on the liquidation stage.

In June 2019, the Group obtained control over LLC “Agricultural company “Yaroslavska”. As at 30 September 2019 LLC “Agricultural company “Yaroslavska” was on the liquidation stage.

*** In February 2019, LLC “Agricultural company “Khorolska” changed it's legal name to LLC “Astarta Prykhorollia”.

**** During nine months ended 30 September 2019 the Group disposed of PLC “Agrotechnika Kobelyaki”. For further detail please refer to Note 4.

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

(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		
	2019	2018	30 September	31 December	30 September
			2019	2018	2018
EUR	29.64	32.21	26.33	31.71	33.13
USD	26.37	26.95	24.08	27.69	28.30

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.

(f) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment

Revised standards did not have any effect on the consolidated financial position or performance of the Group and any disclosures in the Group's consolidated financial statements.

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 2018 except for the adoption of new Standards and Interpretations noted below.

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

The Group has not 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 2020:

	<i>Effective for annual period beginning on or after</i>
International Financial Reporting Standards ("IFRS")	
▪ IFRS 17 Insurance Contracts	1 January 2021
Amendments to existing standards and interpretations	
▪ Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
▪ Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
▪ Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
▪ Amendments to IFRS 3 – Definition of a business	1 January 2020
▪ Amendments to IAS 1 and IAS 8 – Definition of Material	1 January 2020

4 BUSINESS COMBINATIONS

Acquisition of new entities in 2019

During the reporting period the Group completed acquisition of LLC AC “Yaroslavska”, which is non-listed agricultural company located in Ukraine, with the purpose to expand the agricultural land leases bank.

Purchase of this entity is recognised as asset acquisition within additions to the right-of-use assets.

Acquisition of new entities in 2018

During the reporting period the Group acquired LLC “Pochayna-Office” and LLC “Pochayna-Nerukhomist” which are non-listed companies located in Ukraine with the purpose to acquire office premises.

Purchase of these entities are recognised as asset acquisition within acquisition of Property, plant and equipment.

Disposal of subsidiaries in 2019

During the reporting period the Group completed disposal of PLC “Agrotechnika Kobelyaki”. The sales consideration is nil.

The difference between the carrying amount of the net assets of subsidiary and the proceeds from sale is not significant.

5 RIGHT-OF-USE ASSET AND LEASE LIABILITY

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Right-of-use assets			
Land	2 643 935	2 415 616	2 281 031
Office premises	87 719	119 748	137 311
Warehouse	16 835	24 700	9 230
	2 748 489	2 560 064	2 427 572
Lease liabilities			
Non-current	2 067 107	1 873 145	1 803 258
Current portion	620 495	562 687	377 795
	2 687 602	2 435 832	2 181 053

<i>(in thousands of Euro)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Right-of-use assets			
Land	100 398	76 168	68 853
Office premises	3 331	3 776	4 145
Warehouse	639	779	279
	104 368	80 723	73 277
Lease liabilities			
Non-current	78 494	59 063	54 432
Current portion	23 562	17 742	11 404
	102 056	76 805	65 836

Additions to the right-of-use assets during the 9 months 2019 financial year were UAH 510,731 thousand or EUR 17,229 thousand (9 months 2018: UAH 334,558 thousand or EUR 10,387 thousand).

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euro)</i>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Depreciation charge of right-of-use assets				
Land	273 675	252 245	9 232	7 980
Office premises	14 424	12 313	490	385
Warehouse	8 994	3 083	303	95
Interest expense on lease liabilities (included in finance cost)	389 865	312 978	13 155	9 718
Expenses relating to short-term leases (included in operating expense)	10 161	4 011	340	125
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)	291 097	292 355	9 820	9 249

The total cash outflow for leases for 9 months 2019 was UAH 641,015 thousand or EUR 21,624 thousand (9 months 2018: UAH 594,699 thousand or EUR 18,464 thousand) and are classified as finance activities in the consolidated cash flow statements.

(iii) The group's leasing activities and how these are accounted for

The Group leases land, office premises and warehouses for operating activities. Land lease contracts are typically made for fixed periods of 1 to 49 years. Lease contracts for office premises are made for 35 months, but management considers usage period for office premises of 7 years. Warehouse lease contracts are typically made for fixed periods less than 12 months, management considers usage period for some warehouses of 3 years, other premises are used by the Group for current storage of finished goods and the Group has no intentions to extend the lease. Lease payment associated with short-term lease are recognized as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group has applied the cost model to right-of-use assets. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments that are not paid as the commencement date:

- fixed payments (including in-substance fixed payments);
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using borrowing cost as published by National Bank of Ukraine on its official web-site (www.bank.gov.ua) as the interest rate implicit in the lease could not be determined.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's assessment of whether it will exercise extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and other assets that have a lease term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

(iv) Extension and termination options

Extension and termination options are included in a number of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts.

In determining the land lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The majority of extension and termination options held are exercisable by Group or by the respective Lessor that's why they are not included in measurement of assets and liabilities arising from land lease. Extension option is considered exercisable by the Group and is included in measurement of assets and liabilities arising from warehouse and office premises lease, lease term for office premises considered as 10 years and for warehouses as 3 years.

6 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 six 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 2019		31 December 2018		30 September 2018	
	Units	Amount	Units	Amount	Units	Amount
	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>	
Non-current biological assets:						
Cattle	24 415	606 038	27 186	539 468	26 394	648 202
Other livestock		340		1 714		1 889
		606 378		541 182		650 091
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	27 238	679 719	-	-	31 502	943 830
Corn	45 004	1 219 890	-	-	51 472	1 854 539
Winter wheat	47 591	143 168	49 363	502 890	39 758	112 183
Soy	1 545	16 213	-	-	4 086	85 445
Sunflower	1 490	24 160	-	-	2 831	68 431
Winter rye	-	-	745	4 650	726	2 356
	122 868	2 083 150	50 108	507 540	130 375	3 066 784
Total biological assets		2 689 528		1 048 722		3 716 875

<i>(in thousands of Euros)</i>	30 September 2019		31 December 2018		30 September 2018	
	Units	Amount	Units	Amount	Units	Amount
	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>	
Non-current biological assets:						
Cattle	24 415	23 013	27 186	17 010	26 394	19 566
Other livestock		13		54		57
		23 026		17 064		19 623
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	27 238	25 811	-	-	31 502	28 490
Corn	45 004	46 323	-	-	51 472	55 980
Winter wheat	47 591	5 436	49 363	15 857	39 758	3 386
Soy	1 545	616	-	-	4 086	2 579
Sunflower	1 490	917	-	-	2 831	2 066
Winter rye	-	-	745	147	726	71
	122 868	79 103	50 108	16 004	130 375	92 572
Total biological assets		102 129		33 068		112 195

7 INVENTORIES

Inventories as at 30 September are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Finished goods:			
Agricultural produce	1 683 372	2 919 137	2 519 557
Sugar products	589 211	2 617 392	600 297
Soybean processing	120 087	244 661	306 941
Cattle farming	1 673	1 394	2 045
	2 394 343	5 782 584	3 428 840
Raw materials and consumables for:			
Sugar production	606 747	100 692	785 955
Consumables for joint utilization	369 001	113 345	769 340
Agricultural produce	351 143	319 314	360 847
Cattle farming	175 387	170 332	184 139
Other production	17 232	17 711	19 978
	1 519 510	721 394	2 120 259
Investments into future crops	400 341	946 953	346 524
	4 314 194	7 450 931	5 895 623

<i>(in thousands of Euros)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Finished goods:			
Agricultural produce	63 923	92 044	76 053
Sugar products	22 374	82 530	18 120
Soybean processing	4 560	7 715	9 265
Cattle farming	64	44	62
	90 921	182 333	103 500
Raw materials and consumables for:			
Sugar production	23 040	3 175	23 724
Consumables for joint utilization	14 012	3 574	23 223
Agricultural produce	13 334	10 069	10 892
Cattle farming	6 660	5 371	5 558
Other production	654	558	605
	57 700	22 747	64 002
Investments into future crops	15 200	29 859	10 460
	163 821	234 939	177 962

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

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Goods in transit:			
Agricultural produce	109 038	107 023	107 064
Sugar products	23 199	9 988	7 754
Soybean processing	3 739	113 135	115 826
Consumables for joint utilization	-	21 588	-
	135 976	251 734	230 644

<i>(in thousands of Euros)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Goods in transit:			
Agricultural produce	4 140	3 375	3 232
Sugar products	881	315	234
Soybean processing	142	3 567	3 496
Consumables for joint utilization	-	681	-
	5 163	7 938	6 962

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.

8 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 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	41 495	48 814	20 934
Other long-term receivables	519	499	499
	42 014	49 313	21 433
Current accounts receivable and prepayments			
Trade receivables	580 136	791 995	410 441
Less allowance	(54 805)	(92 950)	(45 204)
	525 331	699 045	365 237
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	1 128 884	1 527 062	331 641
Advances to suppliers	282 419	214 760	190 364
Less allowance	(65 956)	(65 083)	(59 139)
	1 345 347	1 676 739	462 866
Other financial assets:			
Government bonds	19 930	27 409	12 839
Financial aid	1 556	32	1 511
Less allowance	(28)	-	-
Other receivables	12 398	14 634	39 859
Less allowance	(9 006)	(8 276)	(12 428)
	24 850	33 799	41 781
	1 895 528	2 409 583	869 884

<i>(in thousands of Euros)</i>	30 September 2019	31 December 2018	30 September 2018
	(unaudited)	(audited)	(unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	1 576	1 539	632
Other long-term receivables	19	16	15
	1 595	1 555	647
Current accounts receivable and prepayments			
Trade receivables	22 029	24 973	12 389
Less allowance	(2 081)	(2 931)	(1 364)
	19 948	22 042	11 025
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	42 867	48 151	10 011
Advances to suppliers	10 724	6 772	5 746
Less allowance	(2 505)	(2 052)	(1 785)
	51 086	52 871	13 972
Other financial assets:			
Government bonds	757	864	388
Financial aid	59	1	46
Less allowance	(1)	-	-
Other receivables	470	463	1 203
Less allowance	(342)	(262)	(375)
	943	1 066	1 262
	71 977	75 979	26 259

9 LOANS AND BORROWINGS

As at 30 September 2019 the Group reclassified part of long-term loans due to deviation from certain financial covenants linked to financial metrics which were affected by lower product prices for sugar and soft commodities. According to the terms of respective loan agreements, the lenders may at their option declare all or any portion of the loan and accrued interest payable on demand. The Group informed the relevant banks in respect of such deviations as at 30 September 2019. As a consequence, borrowings of UAH 2,100,571 thousand (EUR 79,765 thousand) were reclassified from non-current to current liabilities. Management believes that the above mentioned breaches are expected to be waived by 31 December 2019.

10 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other liabilities and accounts payable are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Other liabilities:			
Advances received from customers	164 917	179 341	191 841
VAT payable	166 100	168 908	44 828
	331 017	348 249	236 669
Other accounts payable:			
Promissory notes issued	84 316	-	-
Accrual for unused vacations	75 659	76 482	94 071
Salaries payable	57 168	50 058	80 483
Other taxes and charges payable	57 727	39 807	60 211
Interest payable	40 302	82 681	48 864
Payable to non-controlling interests	13 069	35 520	35 520
Accounts payable for property, plant and equipment	3 255	18 349	41 518
Social insurance payable	15 631	11 790	16 323
Settlements with land and fixed assets lessors	43 503	36 549	49 083
Other payables	29 185	35 186	34 141
	419 815	386 422	460 214
	750 832	734 671	696 883

<i>(in thousands of Euros)</i>	30 September 2019 (unaudited)	31 December 2018 (audited)	30 September 2018 (unaudited)
Other liabilities:			
Advances received from customers	6 262	5 655	5 791
VAT payable	6 307	5 326	1 353
	12 569	10 981	7 144
Other accounts payable:			
Promissory notes issued	3 202	-	-
Accrual for unused vacations	2 873	2 412	2 840
Salaries payable	2 171	1 578	2 429
Other taxes and charges payable	2 192	1 255	1 817
Interest payable	1 530	2 607	1 475
Payable to non-controlling interests	496	1 120	1 072
Accounts payable for property, plant and equipment	124	579	1 253
Social insurance payable	594	372	493
Settlements with land and fixed assets lessors	1 652	1 152	1 481
Other payables	1 106	1 109	1 031
	15 940	12 184	13 891
	28 509	23 165	21 035

11 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Sugar and related sales:				
Sugar	875 014	890 658	30 722	27 998
Molasses	18 240	23 177	653	732
Pulp	908	1 303	112	56
	894 162	915 138	31 487	28 786
Crops	1 383 258	837 589	49 226	26 273
Soybean processing products	428 270	434 208	15 567	13 706
Cattle farming	231 056	212 439	8 198	6 677
Other sales	32 897	92 736	1 200	2 894
	2 075 481	1 576 972	74 191	49 550
	2 969 643	2 492 110	105 678	78 336

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Sugar and related sales:				
Sugar	2 411 985	2 928 090	81 213	90 774
Molasses	66 331	92 876	2 233	2 879
Pulp	99 866	84 496	3 363	2 620
	2 578 182	3 105 462	86 809	96 273
Crops	4 616 872	2 454 789	155 453	76 101
Soybean processing products	1 827 849	1 723 313	61 545	53 425
Cattle farming	740 900	688 055	24 947	21 331
Other sales	145 176	203 908	4 888	6 321
	7 330 797	5 070 065	246 833	157 178
	9 908 979	8 175 527	333 642	253 451

12 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Sugar and related sales:				
Sugar	831 502	825 789	29 169	25 932
Molasses	18 020	20 421	644	642
Pulp	9	1 856	43	66
	849 531	848 066	29 856	26 640
Crops	1 249 697	715 545	44 557	22 462
Soybean processing products	368 412	319 400	13 361	10 122
Cattle farming	193 193	195 581	6 837	6 138
Other sales	4 509	100 946	238	3 149
	1 815 811	1 331 472	64 993	41 871
	2 665 342	2 179 538	94 849	68 511

Cost of revenues include effect of fair value measurement of agricultural produce in amount of UAH 300,785 thousand or EUR 10,900 thousand (2018: UAH 120,511 thousand or EUR 4,215 thousand).

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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Sugar and related sales:				
Sugar	2 265 859	2 578 687	76 309	79 977
Molasses	63 323	69 252	2 133	2 148
Pulp	52 411	48 137	1 765	1 493
	2 381 593	2 696 076	80 207	83 618
Crops	4 288 635	2 194 519	144 431	68 062
Soybean processing products	1 541 845	1 501 014	51 926	46 553
Cattle farming	600 126	590 284	20 211	18 307
Other sales	111 579	198 692	3 757	6 163
	6 542 185	4 484 509	220 325	139 085
	8 923 778	7 180 585	300 532	222 703

Cost of revenues include effect of fair value measurement of agricultural produce in amount of UAH 1,239,460 thousand or EUR 41,747 thousand (2018: UAH 620,591 thousand or EUR 19,633 thousand).

13 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Government subsidies relating to:				
Cattle farming	2 630	4 269	88	137
Recovery of assets previously written off	22 462	4 257	754	137
Other operating income	8 670	4 677	291	165
	33 762	13 203	1 133	439

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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Government subsidies relating to:				
Cattle farming	5 128	7 755	170	244
Recovery of assets previously written off	47 808	8 254	1 588	260
Other operating income	17 243	30 459	573	960
	70 179	46 468	2 331	1 464

14 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Salary and related charges	111 316	162 592	3 987	5 109
Depreciation	44 758	19 140	1 567	602
Professional services	16 894	18 850	607	593
Fuel and other materials	4 744	7 189	170	226
Office expenses	1 980	1 925	73	60
Taxes other than corporate income tax	4 177	-	143	-
Bank charges	1 907	2 462	70	78
Insurance	1 946	607	70	19
Communication	1 530	1 436	54	46
Rent	427	5 679	16	178
Maintenance	595	702	22	22
Transportation	212	234	8	8
Other	11 947	5 708	417	179
	202 433	226 524	7 204	7 120

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>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salary and related charges	315 277	397 390	10 698	12 421
Depreciation	92 022	48 017	3 122	1 501
Professional services	49 671	45 390	1 685	1 419
Fuel and other materials	13 573	16 784	461	525
Office expenses	7 213	7 017	245	219
Taxes other than corporate income tax	9 268	4 448	315	139
Bank charges	6 794	7 353	231	230
Insurance	5 878	4 814	199	150
Communication	4 196	4 210	142	132
Rent	1 622	10 356	55	324
Maintenance	1 733	1 643	59	51
Transportation	620	593	21	19
Other	20 919	27 401	709	855
	528 786	575 416	17 942	17 985

15 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>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Transportation	171 224	194 139	6 130	6 100
Storage and logistics	72 672	77 936	2 571	2 438
Salary and related charges	25 805	23 103	913	733
Depreciation	17 519	4 881	608	154
Fuel and other materials	8 453	9 537	298	300
Professional services	6 367	4 639	223	146
Allowance for trade accounts receivable	2 638	1 294	89	42
Other	6 371	7 290	237	234
	311 049	322 819	11 069	10 147

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>	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Transportation	512 858	490 961	17 297	15 205
Storage and logistics	188 293	162 492	6 350	5 032
Salary and related charges	66 584	82 336	2 246	2 550
Depreciation	33 884	14 405	1 143	446
Fuel and other materials	21 508	23 697	725	734
Professional services	14 442	11 556	487	358
Allowance for trade accounts receivable	2 637	8 044	89	249
Other	26 897	33 518	907	1 039
	867 103	827 009	29 244	25 613

16 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Depreciation	11 995	3 007	452	98
Write down of inventories	3 009	23 962	102	746
Loss on disposal of property, plant and equipment	35 821	21 991	1 224	683
Other salary and related charges	6 917	7 141	253	232
Charity and social expenses	15 746	27 166	548	862
VAT written off	10 144	931	351	45
Penalties paid	1 078	2 554	38	81
Representative expenses	9	44	1	1
Allowance for other accounts receivable	7 624	22 216	257	684
Other	11 824	8 559	412	288
	104 167	117 571	3 638	3 720

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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Depreciation	47 698	7 958	1 610	247
Write down of inventories	3 009	26 001	102	807
Loss on disposal of property, plant and equipment	47 114	22 504	1 590	698
Other salary and related charges	22 055	18 204	744	565
Charity and social expenses	28 246	47 931	953	1 487
VAT written off	16 771	17 563	566	545
Penalties paid	2 285	3 468	77	108
Representative expenses	51	106	2	3
Allowance for other accounts receivable	7 640	17 117	258	531
Other	22 437	30 677	756	953
	197 306	191 529	6 658	5 944

17 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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Finance costs				
Foreign currency exchange loss, net	353 446	(467 561)	12 578	(14 995)
Interest expense				
Bank loans	(118 497)	(118 133)	(4 196)	(3 581)
Finance lease liabilities	(1 342)	(2 403)	(48)	(72)
Borrowings from non-financial institutions	(481)	(1 207)	(17)	(36)
	(120 320)	(121 743)	(4 261)	(3 689)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	3 717	16 000	125	506
Interest expense on lease liability	(124 251)	(91 149)	(4 422)	(2 707)
Other finance costs	(7 814)	(13 475)	(273)	(409)
	(128 348)	(88 624)	(4 570)	(2 610)
	104 778	(677 928)	3 747	(21 294)
Finance income				
Interest income	5 303	6 016	189	181
Other finance income	9 619	(1 782)	324	(63)
	14 922	4 234	513	118

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>	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Finance costs				
Foreign currency exchange loss, net	658 741	(159 133)	22 697	(5 247)
Interest expense				
Bank loans	(395 385)	(275 812)	(13 294)	(8 564)
Finance lease liabilities	(5 142)	(7 137)	(173)	(222)
Borrowings from non-financial institutions	(2 064)	(3 990)	(69)	(124)
	(402 591)	(286 939)	(13 536)	(8 910)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	4 043	(626)	136	(19)
Interest expense on lease liability	(389 865)	(312 978)	(13 155)	(9 718)
Other finance costs	(21 766)	(30 233)	(732)	(939)
	(407 588)	(343 837)	(13 751)	(10 676)
	(151 438)	(789 909)	(4 590)	(24 833)
Finance income				
Interest income	19 644	17 038	661	529
Other finance income	10 156	12 041	341	374
	29 800	29 079	1 002	903

18 SEGMENT REPORTING

At 30 September 2019 and 2018, 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 gas trading.

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 agricultural 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 2019 is as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenues	2 578 182	3 105 462	5 188 075	3 320 672	740 900	688 055	1 827 849	1 723 313	145 176	203 908	10 480 182	9 041 410
Inter-segment revenues	-	-	571 203	865 883	-	-	-	-	-	-	571 203	865 883
Revenues from external customers	2 578 182	3 105 462	4 616 872	2 454 789	740 900	688 055	1 827 849	1 723 313	145 176	203 908	9 908 979	8 175 527
Total cost of revenues	(2 381 593)	(2 696 076)	(4 859 838)	(3 060 402)	(600 126)	(590 284)	(1 541 845)	(1 501 014)	(111 579)	(198 692)	(9 494 981)	(8 046 468)
Inter-segment cost of revenues	-	-	(571 203)	(865 883)	-	-	-	-	-	-	(571 203)	(865 883)
Cost of revenues	(2 381 593)	(2 696 076)	(4 288 635)	(2 194 519)	(600 126)	(590 284)	(1 541 845)	(1 501 014)	(111 579)	(198 692)	(8 923 778)	(7 180 585)
Changes in fair value of biological assets and agricultural produce	-	-	624 076	1 935 827	87 195	(155 253)	-	-	-	-	711 271	1 780 574
Gross profit	196 589	409 386	952 313	2 196 097	227 969	(57 482)	286 004	222 299	33 597	5 216	1 696 472	2 775 516
Other operating income	8 604	15 013	42 805	11 331	1 650	8 912	267	384	16 853	10 828	70 179	46 468
General and administrative expense	(140 819)	(151 325)	(320 891)	(295 524)	(34 314)	(67 951)	(12 479)	(15 876)	(20 283)	(44 740)	(528 786)	(575 416)
Selling and distribution expense	(188 496)	(328 145)	(548 741)	(379 719)	(8 996)	(9 380)	(112 882)	(74 576)	(7 988)	(35 189)	(867 103)	(827 009)
Other operating expense	(27 745)	(34 064)	(76 668)	(56 854)	(5 792)	(489)	(17 690)	(11 141)	(69 411)	(88 981)	(197 306)	(191 529)
Profit (loss) from operations	(151 867)	(89 135)	48 818	1 475 331	180 517	(126 390)	143 220	121 090	(47 232)	(152 866)	173 456	1 228 030
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	658 741	(159 133)	658 741	(159 133)
Interest expense	(173 919)	(144 066)	(183 542)	(94 989)	-	(5)	(42 870)	(45 179)	(2 260)	(2 700)	(402 591)	(286 939)
Interest income	-	-	-	-	-	-	-	-	19 644	17 038	19 644	17 038
Other income (expense)	-	-	-	-	-	-	-	-	(14 446)	(15 556)	(14 446)	(15 556)
Interest expense on lease liability	(12 793)	(14 916)	(351 927)	(275 127)	-	-	(40)	-	(25 105)	(22 935)	(389 865)	(312 978)
Profit (loss) before tax	(338 579)	(248 117)	(486 651)	1 105 215	180 517	(126 395)	100 310	75 911	589 342	(336 152)	44 939	470 462
Taxation	-	-	-	-	-	-	-	-	72 457	(19 480)	72 457	(19 480)
Net profit (loss)	(338 579)	(248 117)	(486 651)	1 105 215	180 517	(126 395)	100 310	75 911	661 799	(355 632)	117 396	450 982
Consolidated total assets	3 883 465	4 678 988	12 968 872	14 030 254	1 194 754	1 460 957	993 128	1 148 925	1 290 972	1 127 625	20 331 191	22 446 749
Consolidated total liabilities	2 164 425	2 880 481	5 134 995	5 721 244	7 793	24 419	684 547	1 091 179	751 131	694 700	8 742 891	10 412 023
Other segment information:												
Depreciation and amortisation	267 933	210 783	805 586	647 342	35 037	36 327	32 720	26 962	42 888	14 817	1 184 164	936 231
Additions to non-current assets:												
Property, plant and equipment	28 140	197 576	423 970	736 635	28 797	32 963	11 217	58 875	14 332	198 549	506 456	1 224 598
Intangible assets	365	29	475	4 173	-	-	223	-	5 368	2 415	6 431	6 617

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenues	86 809	96 273	174 686	102 945	24 947	21 331	61 545	53 425	4 887	6 321	352 874	280 295
Inter-segment revenues	-	-	19 232	26 844	-	-	-	-	-	-	19 232	26 844
Revenues from external customers	86 809	96 273	155 454	76 101	24 947	21 331	61 545	53 425	4 887	6 321	333 642	253 451
Total cost of revenues	(80 207)	(83 618)	(163 663)	(94 906)	(20 211)	(18 307)	(51 926)	(46 553)	(3 757)	(6 163)	(319 764)	(249 547)
Inter-segment cost of revenues	-	-	(19 232)	(26 844)	-	-	-	-	-	-	(19 232)	(26 844)
Cost of revenues	(80 207)	(83 618)	(144 431)	(68 062)	(20 211)	(18 307)	(51 926)	(46 553)	(3 757)	(6 163)	(300 532)	(222 703)
Changes in fair value of biological assets and agricultural produce	-	-	21 053	61 240	2 941	(4 911)	-	-	-	-	23 994	56 329
Gross profit	6 602	12 655	32 076	69 279	7 677	(1 887)	9 619	6 872	1 130	158	57 104	87 077
Other operating income	286	474	1 422	358	55	281	9	12	559	339	2 331	1 464
General and administrative expense	(4 778)	(4 730)	(10 888)	(9 237)	(1 164)	(2 124)	(423)	(496)	(689)	(1 398)	(17 942)	(17 985)
Selling and distribution expense	(6 357)	(10 163)	(18 507)	(11 760)	(303)	(291)	(3 807)	(2 310)	(270)	(1 089)	(29 244)	(25 613)
Other operating expense	(936)	(1 056)	(2 587)	(1 763)	(195)	(15)	(597)	(346)	(2 343)	(2 764)	(6 658)	(5 944)
Profit (loss) from operations	(5 183)	(2 820)	1 516	46 877	6 070	(4 036)	4 801	3 732	(1 613)	(4 754)	5 591	38 999
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	22 697	(5 247)	22 697	(5 247)
Interest expense	(5 848)	(4 473)	(6 171)	(2 949)	-	-	(1 441)	(1 403)	(76)	(85)	(13 536)	(8 910)
Interest income	-	-	-	-	-	-	-	-	661	529	661	529
Other income (expense)	-	-	-	-	-	-	-	-	(484)	(480)	(484)	(480)
Interest expense on lease liability	(432)	(463)	(11 875)	(8 542)	-	-	(1)	-	(847)	(713)	(13 155)	(9 718)
Profit (loss) before tax	(11 463)	(7 756)	(16 530)	35 386	6 070	(4 036)	3 359	2 329	20 338	(10 750)	1 774	15 173
Taxation	-	-	-	-	-	-	-	-	2 535	(624)	2 535	(624)
Net profit (loss)	(11 463)	(7 756)	(16 530)	35 386	6 070	(4 036)	3 359	2 329	22 873	(11 374)	4 309	14 549
Consolidated total assets	147 467	141 236	492 466	423 507	45 368	44 099	37 712	34 681	49 018	34 043	772 031	677 565
Consolidated total liabilities	82 190	86 948	194 991	172 697	296	737	25 994	32 937	28 521	20 970	331 992	314 289
Other segment information:												
Depreciation and amortisation	9 038	6 544	27 172	20 099	1 182	1 128	1 104	837	1 451	460	39 947	29 068
Additions to non-current assets:												
Property, plant and equipment	949	6 134	14 302	22 871	971	1 023	378	1 828	483	6 164	17 083	38 020
Intangible assets	12	1	16	130	-	-	8	-	181	75	217	206

19 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 2019 as well as balances with related parties as at 30 September 2019:

<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	409	8 442	5 718	43 026
	409	8 442	5 718	43 026

<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	15	301	217	1 634
	15	301	217	1 634

The following table summarises transactions that have been entered into with related parties for the nine months ended 30 September 2019 as well as balances with related parties as at 30 September 2019:

<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	1 908	27 110	5 718	43 026
	1 908	27 110	5 718	43 026

<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	64	915	217	1 634
	64	915	217	1 634

The following table summarises transactions that have been entered into with related parties for the three months ended 30 September 2018 as well as balances with related parties as at 30 September 2018:

<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	103	5 942	33 446	108 689
	103	5 942	33 446	108 689

<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	3	187	1 010	3 281
	3	187	1 010	3 281

The following table summarises transactions that have been entered into with related parties for the nine months ended 30 September 2018 as well as balances with related parties as at 30 September 2018:

<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	111	21 238	33 446	108 689
	111	21 238	33 446	108 689

<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	3	659	1 010	3 281
	3	659	1 010	3 281

20 EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no subsequent events to mention.

14 November 2019

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)

G.Mettetal (signed)

H.Arslan (signed)