



INTERIM REPORT

**January – March
2020**

KSG Agro S.A.

Société Anonyme
24, rue Astrid
L-1143 Luxembourg
R.C.S. B 156.864

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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PRINCIPAL ACTIVITIES

KSG Agro S.A., separately referred to as “KSG Agro” or the “Company” and together with its subsidiaries referred to as the “Group”, remains among the largest vertically integrated agricultural groups in the Dnipropetrovsk region of Ukraine, present in all major sectors of the agricultural market, including production, storage, processing and sale of agricultural products. Its key operating activities are breeding of pigs, processing of pork and production of wheat and sunflower.

STRATEGY IMPLEMENTATION

Below are the highlights of how the Group has implemented its development strategy in 2019:

Strategy	Implementation
Focus on farming & pigs breeding and increase its efficiency	<p>Total revenues from pigs breeding and meat processing for the three months ended 31 March 2020 were USD 2.6 million. Total revenues from pigs breeding and meat processing for the three months ended 31 March 2019 were at a comparable level of USD 2.5 million</p> <p>The Group's pig complex continues to function as previously, despite the complications of the coronavirus outbreak. All necessary security measures and guidelines are being adhered to, with personnel screenings and disinfection activities being performed</p> <p>Total sales of pigs for the three months ended 31 March 2020 were 22 thousand heads and total farrow was 28 thousand heads</p>
Searching for new contractors and signing agreements for sale of crops using USD prices	<p>The total area of agricultural land controlled by the Group as at 31 March 2020 was 21 thousand hectares, of which 8 thousand hectares were under winter crops</p> <p>Total revenue from crop production for the three months ended 31 March 2020 was USD 0.1 million, as first quarter of the year is generally a slow sales season for crop producers</p> <p>As an alternative revenue source, the Group has used its agricultural equipment and expertise to render land cultivation and similar land preparation services to other crop producers for a total amount of USD 0.3 million</p> <p>The Group's spring sowing campaign has started in early April, as planned and largely unaffected by the coronavirus outbreak</p> <p>The plans for the spring sowing campaign include planting 7.2 thousand hectares of sunflower, 2.2 thousand hectares of corn and 0.5 thousand hectares of sorghum</p>
Reduction of current debt and the extension of credit period	<p>In 2019 the Group has finalised restructuring of its major loans and borrowings</p> <p>In the period of January through March of 2020, TASCOMBANK helped refinance the Group's loans from Credit Dnipro Bank and Pivdennyi Bank in the total amount of USD 3.9 million which were maturing in 2020, thereby further reducing the Group's current debt</p> <p>Current portion of bank and other loans as a result is down from USD 11.8 million as at 31 December 2019 to USD 8.4 million as at 31 March 2020</p>

IMPACT OF THE CORONAVIRUS COVID-19

The Board of Directors of the Company does not currently provide for the significant adverse effects of the coronavirus COVID-19 epidemic on the Group's financial results in 2020.

The Group is resistant to fluctuations in exchange rates because, at the moment, settlements in foreign currency do not constitute a significant share in the total cost structure. During 2019, the Group restructured most of its debt in foreign currency, while freeing up reserves in the amount of more than USD 10 million. Although a sharp increase in the exchange rates of Ukrainian Hryvnya against the US Dollar during March-May of 2020 resulted in recognition of significant forex losses, these losses are non-operating losses, primarily on revaluation of the Group's long-term loans, and therefore, are not expected to have an effect on the Group's operating results in the long-term, especially when the virus situation is resolved and the exchange rates return back to normal.

In addition, in order to minimise external risks, starting in 2014, the Group implemented the program to build a vertically integrated structure, a closed production cycle and reduce production costs. The Group focuses on pork production and its main market is the domestic market of Ukraine, where over the past months there has been an increase in both price and demand for pork. In addition, problems in international trade have led to blocking of the competitive products import. All this leads to an increase in the Group's sales and profit margins.

Despite this, the Board of Directors provides regular monitoring of the situation related to the consequences of the spread of the coronavirus COVID-19 and the impact of the epidemic on the Group's activities. Caring for the health and safety of employees, the Group took a number of measures to prevent the spread of COVID-19 at the Group's offices. Screening for staff temperature and disinfection activities are being carried out. Also, business trips and relocation of employees were reduced to the required minimum.

The Group will continue to provide information on adverse effects, if any, of the impact of COVID-19 on its activities through notices on the Warsaw Stock Exchange and on its website.

FINANCIAL AND OPERATIONAL RESULTS

The following table sets forth the Group's results of operations for the three months ended 31 March 2020 and 2019 derived from the unaudited interim condensed consolidated financial statements:

<i>In thousands of US dollars</i>	Three months 2020 (unaudited)	Three months 2019 (unaudited)	Change, %
Revenue	3,242	3,399	(5)%
Net change in fair value of biological assets and agricultural produce	1,247	667	87%
Cost of sales	(3,424)	(4,194)	(18)%
Gross profit	1,065	(128)	(932)%
Selling, general and administrative expenses	(339)	(207)	64%
Other operating income	22	287	(92)%
Operating profit	748	(48)	(1,658)%
Other expenses	(604)	(727)	(17)%
Finance income	1	4,351	(100)%
Finance expenses	(524)	(305)	72%
Gain/(loss) on foreign currency exchange, net	(2,641)	878	(401)%
Gain/(loss) on disposal of subsidiaries	-	(685)	(100)%
Profit before tax	(3,020)	3,464	(187)%
Income tax expense	-	(1)	(100)%
Profit for the period	(3,020)	3,463	(187)%
Operating profit	748	(48)	(1,658)%
Depreciation of property, plant and equipment	305	315	(3)%
Amortisation of right-of-use assets	114	-	100%
EBITDA	1,167	267	337%

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for the three months ended 31 March 2020

The Group's revenue from sales decreased by 5%, primarily in the crop production segment. Total revenue from crop production for the three months ended 31 March 2020 was USD 0.1 million as compared to USD 0.8 million for the three months ended 31 March 2019.

First quarter of the year is generally a slow sales season for crop producers which makes revenues less predictable. As an alternative revenue source, the Group has used its agricultural equipment and expertise to render land cultivation and similar land preparation services to other crop producers for a total amount of USD 0.3 million.

Net change in fair value of biological assets and agricultural produce increased by 87% from USD 0.7 million for the three months ended 31 March 2019 to 1.2 million for the three months ended 31 March 2020.

The Group's cost of sales decreased by 18% to USD 4.2 million for the three months ended 31 March 2020 from USD 2.4 million for the year ended 31 March 2019 while revenue decreased only by 5%.

The relative decrease in cost of sales towards revenue is expected to continue. Main contributing factors are that the Group continues to use its own self-produced feeds instead purchasing them, as well the commissioning of the upgraded manure separation station at the pig complex in July 2019, which helps the Group save on energy costs.

Details by segment are disclosed in Note 14 to the consolidated financial statements.

The Group's EBITDA for the three months ended 31 March 2020 is USD 1.2 million, at the same time net loss for the period is USD 3.0 million. Main factor here is the significant foreign exchange losses.

The Group has recognised foreign exchange losses for the three months ended 31 March 2020 in the amount of USD 2.6 million, in comparison to a gain of USD 0.8 million for the same period of 2019. The reason for the sharp increase in the exchange rates of Ukrainian Hryvnya against the US Dollar in 2020 was the market reaction to the coronavirus outbreak. As at 31 March 2020, the exchange rate was UAH 28.06 per USD 1, up from UAH 23.68 per USD 1 as at 31 December 2019.

Because these losses are non-operating losses, primarily on revaluation of the Group's long-term loans, they are not expected to have an effect on the Group's operating results in the long-term, especially when the virus situation is resolved and the exchange rates return back to normal.

SUBSEQUENT EVENTS

There were no material subsequent events.

BUSINESS AND FINANCIAL RISKS

Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

Credit risk concentration

The Group is exposed to the concentration of credit risk. Management monitors and discloses concentrations of credit risk by obtaining monthly reports with exposures to counterparties with individually material balances.

As at 31 March 2020, the Group had 8 counterparties (31 December 2019: 8 counterparties) with aggregate receivable balances above USD 150 thousand each. The total amount of these balances as at 31 March 2020 was USD 2,733 thousand (31 December 2019: USD 3,410 thousand) or 38% (31 December 2019: 47%) of financial accounts receivable.

Market risk

The Group takes an exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. The Group does not have significant interest-bearing financial assets. Loans and borrowings issued at variable interest rates expose the Group to the interest rate risk. Loans and borrowings issued at fixed rates expose the Group to the fair value risk.

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for the three months ended 31 March 2020

The sensitivities to market risks disclosed below are based on a change in one factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

Interest rate risk

Risk of changes in interest rate is generally related to interest-bearing loans. Loans issued at variable rates expose the Group to cash flow interest rate risk. Loans issued at fixed rates expose the Group to fair value interest rate risk. The Group is currently developing its policy on structure of fixed and variable rates loan portfolio. The Group's management analyses market interest rates to minimize interest rate risk.

Currency risk

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is managed by the Group management who monitors monthly rolling forecasts of the Group's cash flows. The Group seeks to maintain a stable funding base primarily consisting of borrowings and trade and other payables.

The Group's ratio of current assets to current liabilities as at 31 March 2020 was 0.67 (31 December 2019: 0.49). Management recognises that such low liquidity is, to a considerable extent, a result of unpaid and overdue loans and that the issue would be mitigated as debt restructuring is finalised.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as to provide financing of its operating requirements, capital expenditures and Group's development strategy. The Group's capital management policies aim to ensure and maintain an optimal capital structure to reduce the overall cost of capital and flexibility relating to Group's access to capital markets.

<i>In thousands of US dollars</i>	31 March 2020 (unaudited)	31 December 2019 (unaudited)
Bank and other loans	32,086	28,650
Promissory notes issued	556	556
Less: cash and cash equivalents	(3,384)	(249)
Net debt	29,258	28,957
Total equity	7,332	13,422
Debt to Equity ratio	3.99	2.16

The Group is currently developing its capital management policy. Management monitors on a regular basis the Group's capital structure and may adjust its capital management policies and targets following changes of its operating environment, market sentiment or its development strategy.

Management believes it is responding appropriately to all the risks identified in order to support the sustainability of the Group's business in the current circumstances.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") observes the majority of Warsaw Stock Exchange corporate governance rules included in the "Code of Best Practice for WSE Listed Companies" in the form and to the extent determined by the Resolution No. 19/1307/2012 of the Exchange Supervisory Board dated 21 November 2012. Code of Best Practice for WSE Listed Companies is available at the official website of the Warsaw Stock Exchange

The Board of Directors consists of five members, three of each hold an executive role (Directors A), and two directors are non executive ones (Directors B)

Mr. Sergiy Kasianov, Chairman of the Board of Directors, has a significant indirect holding of securities in the Company. No other person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

Appointment and replacement of Directors and amendments to the Articles of Association

With regard to the appointment and replacement of Directors, its Articles of Association (hereinafter referred to as the "Articles of Association") and Luxembourg Law comprising the Companies Law 1915 govern the Company. A general meeting of the shareholders under the quorum may amend the Articles of Association from time to time and majority requirement provided for by the Law of 10 August 1915 On Commercial Companies in Luxembourg, as amended.

Powers of Directors

The Board is responsible for managing the business affairs of the Company within the clauses of the Articles of Association. The Directors may only act at duly convened meetings of the Board of Directors or by written consent in accordance with article 9 of Articles of Association.

Rights of the shareholders

Articles of Association and national laws and regulation govern the operation of the shareholders meetings and their key powers, description of their rights.

Transfer of shares

Transfer of shares is governed by Articles of Association of the Company.

Meetings of the board

In this regard the Company is governed by Article 9 of the Articles of Association.

Mr. Sergiy Kasianov has been appointed as Chairman of the Board of Directors.

The Board of Directors shall meet upon call by the Chairman, or any two Directors at the place and time indicated in the notice of meeting, the person(s) convening the meeting setting the agenda.

Written notice of any meeting of the Board of Directors shall be given to all Directors at least five (5) calendar days in advance of the hour set for such meeting, except in circumstances of emergency where 24 hours prior notice shall suffice which shall duly set out the reason for the urgency.

The board of Directors may act validly and validly adopt resolutions if approved by the majority of Directors including at least one class A and one class B Director at least a majority of the Directors are present or represented at a meeting.

Audit Committee

The audit committee is composed of three members and is in charge of overseeing financial reporting and disclosure.

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Internal Control

The Company's management is responsible for establishing and maintaining adequate controls over financial reporting process for KSG Agro S.A., which include the appropriate level of Board of Directors' involvement.

KSG Agro S.A. maintains an effective internal control structure. It consists, in particular, of organizational arrangements with clearly defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures. An important element of the control environment is an ongoing internal audit program. KSG Agro S.A. system also contains monitoring mechanisms, and actions taken to correct deficiencies if they identified.

To assure the effective administration of internal controls, KSG Agro S.A. carefully selects employees, develops and disseminates oral and written policies and procedures, provides appropriate communication channels and fosters an environment conducive to the effective functioning of controls.

The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Ukrainian generally adopted accounting principles and transformation to International Financial Reporting Standards as adopted by European Union;
- that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

We believe that it is essential for the Company to conduct its business affairs in accordance with the highest ethical standards, as set forth in KSG Agro S.A.

Information With Respect To Article 11 Of The Law Of 19 May 2006 On Takeover Bids

Article 11 a) the structure of their capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents.

According to article 5.1 of the articles of association of the Company (the Articles), the Company's subscribed share capital amounts to one hundred fifty thousand two hundred United States Dollars (USD 150,200.00) represented by fifteen million twenty thousand (15,020,000) shares having a nominal value of one Cent (USD 0.01) each.

All the issued share capital of the Company is admitted to listing and trading on the main market of the Warsaw Stock Exchange.

On May 23, 2013 The Company bought back thirty-two thousand one hundred and seventy-two (32,172) own shares, representing 0.21% of share capital, that are accounted for as treasury shares.

Article 11 b) any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to article 46 of Directive 2001/34/EC.

The shares of the Company are transferred in accordance with customary procedures for the transfer of securities in Book-entry form.

Furthermore, there is no restriction in relation with the transfer of securities pursuant to article 7.5 of the Articles. The sole requirement is that any transfer shall be recorded in the register of shares of the Company.

In accordance with article 7.10 of the Articles, any shareholder, company or individual, who acquires or sells shares, including certificates representing shares of the Company, shall notify to the Company the percentage of the voting rights he/she/it will own pursuant to such acquisition or sale, in case such percentage reaches the thresholds of 5%, 10%, 15%, 20%, 33 1/3%, 50% and 66 2/3% or supersedes or falls under such thresholds. The shareholders shall also notify the Company should the percentage of their respective voting rights reach the above mentioned thresholds or supersede them or fall under such thresholds pursuant to certain events amending the voting rights repartition of the Company.

Those notification requirements apply also to certain situations as listed by article 9 of the law of 11 January 2008 on transparency obligations with respect to the information of companies which securities are listed on a regulated market.

Article 11 c) significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Directive 2004/109/EC.

The main shareholder of the Company as at 31 December 2019 is:

- OLBIS Investments LTD S.A. holds nine million seven hundred and five thousand five hundred (9,705,500) shares, representing 64.62% of the issued share capital of the Company.
- KSG Agro S.A holds thirty-two thousand one hundred seventy-two (32,172) shares, representing 0.21% of the issued share capital of the Company.
- In free float there are five million two hundred and eighty-two thousand three hundred twenty-eight (5,282,328) shares, representing 35.17% of the issued share capital of the Company.

Article 11 d) the holders of any securities with special control rights and a description of those rights.

There are no special control rights.

Article 11 e) the system of control of any employee share scheme where the control rights are not exercised directly by the employees.

There is no employee share scheme.

Article 11 f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities.

Pursuant to article 7.10 of the Articles, if a shareholder breaches the thresholds mentioned in point b) and fails to notify the Company within the period of four (4) listing days, as stated therein, the exercise of voting rights attached to the new participation exceeding the relevant threshold will be suspended.

Article 11 g) any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities or voting rights within the meaning of Directive 2004/109/EC.

To the best of our knowledge there are no such agreements.

Article 11 h) the rules governing the appointment and replacement of board members and the amendment of the articles of association.

Pursuant to article 8 of the Articles, the directors of the Company (the Directors or the Board, as applicable) are to be appointed by the general meeting of the shareholders of the Company (the General Meeting) for a period not exceeding six (6) years and until their successors are elected. Moreover, the decision to suspend or dismiss a Director must be adopted by the General Meeting with a majority of more than one-half (1/2) of all voting rights present or represented. When a legal person is appointed as Director, the legal entity must designate a permanent representative (représentant permanent) in accordance with article 51bis of the Law of 10 August 1915 On Commercial Companies, as amended (the Company Law).

In accordance with article 20 of the Articles, the Articles may be amended from time to time by a General Meeting under the quorum and majority requirements provided for by the Company Law.

Article 11 i) the powers of board members, and in particular the power to issue or buy back shares.

Under the provisions laid down in article 5.4 of the Articles, the Board is authorized during a period expiring 5 (five) years after the publication of the present authorization in the Mémorial C, Recueil des Sociétés et Associations (i.e. 08 July 2011), to increase in one or several times the share capital of the Company within the limits of the authorized capital. The authorized capital of the Company is set at one hundred fifty thousand seven hundred forty-five United States Dollars (USD 150,745.00) represented by fifteen million seventy-four thousand five hundred (15,074,500) shares with a nominal value of one Cent (USD 0.01).

With respect to the acquisition of own shares, article 6 of the Articles establishes that the Company may acquire its own Shares to the extent permitted by law. To the extent permitted by Luxembourg law, the Board is irrevocably authorized and empowered to take any and all steps to execute any and all documents to do and perform any and all acts for and in the name and on behalf of the Company which may be necessary or advisable in order to effectuate the acquisition of the shares and the accomplishment and completion of all related actions.

According to article 11.2 of the Articles, the Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests and within the objectives and purposes of the Company. All powers not expressly reserved by law or by the Articles to the General Meeting fall within the competence of the Board.

Article 11 j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements.

To the extent of our knowledge there are no such agreements.

Article 11 k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

To the extent of our knowledge there are no such agreements.

This management report for the three months ended 31 March 2020 was approved for issue on 15 May 2020.



A.V. Skarokhod
(Chief Executive Officer)



L.L. Omelchenko
(Chief Financial Officer)

KSG Agro S.A.

Statement of the Board of Directors and management's responsibility for the preparation and approval of the interim condensed consolidated financial statements

The following statement is made with a view to clarify responsibilities of management and Board of Directors in relation to the interim condensed consolidated financial statements of KSG AGRO S.A. and its subsidiaries (further – the Group).

The Board of Directors and the Group's management are responsible for the preparation of the interim condensed consolidated financial statements of the Group as of 31 March 2020 and for the three months then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In preparing the interim condensed consolidated financial statements, the Board of Directors and management are responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making reasonable assumptions and estimates;
- Compliance with relevant IFRSs and disclosure of all material departures in the notes to the interim condensed consolidated financial statements;
- Compliance with ESMA Guidelines
- Preparing the interim condensed consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

The Board of Directors and management are also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with IFRS as adopted by the European Union;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

In accordance with Article 4 (2) (c) of the Law of Luxembourg of 11 January 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the three months ended 31 March 2020, prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of KSG Agro S.A. and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of KSG Agro S.A. and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

These interim condensed consolidated financial statements as of 31 March 2020 and for the three months then ended were approved for issue on 15 May 2020.



A.V. Skorokhod
(Chief Executive Officer)



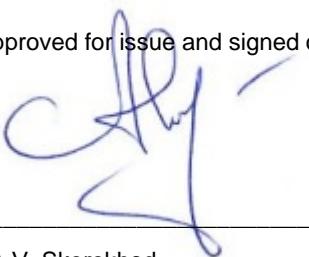
L.L. Omelchenko
(Chief Financial Officer)

KSG Agro S.A.**Unaudited Interim Condensed Consolidated Statement of Financial Position**

as at 31 March 2020

<i>In thousands of US dollars</i>	Note	31 March 2020 (unaudited)	31 December 2019 (unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	16,363	19,559
Long-term biological assets	9	28,019	33,194
Deferred tax assets		199	236
Right-of-use assets	8	993	1,298
Total non-current assets		45,574	54,287
Current assets			
Current biological assets	9	7,883	6,066
Inventories and agricultural produce	10	6,454	8,420
Trade and other accounts receivable	11	7,419	7,455
Taxes recoverable and prepaid		247	296
Cash and cash equivalents		3,384	249
Total current assets		25,387	22,486
TOTAL ASSETS		70,961	76,773
EQUITY			
Share capital		150	150
Share premium		37,366	37,366
Treasury shares		(112)	(112)
Retained earnings		(38,725)	(35,801)
Currency translation reserve		(4,101)	(3,877)
Equity attributable to the owners of the Company		(5,422)	(2,274)
Non-controlling interests		12,754	15,696
TOTAL EQUITY		7,332	13,422
LIABILITIES			
Non-current liabilities			
Bank and other loans	13	23,631	16,793
Lease liabilities	8	1,971	2,004
Total non-current liabilities		25,602	18,797
Current liabilities			
Trade and other accounts payable	12	27,956	31,308
Bank and other loans	13	8,455	11,857
Lease liabilities	8	1,032	738
Promissory notes issued		556	556
Taxes payable		28	95
Total current liabilities		38,027	44,554
TOTAL LIABILITIES		63,629	63,351
TOTAL LIABILITIES AND EQUITY		70,961	76,773

Approved for issue and signed on behalf of the Board of Directors on 15 May 2020.


A.V. Skorokhod
(Chief Executive Officer)

L.L. Omelchenko
(Chief Financial Officer)

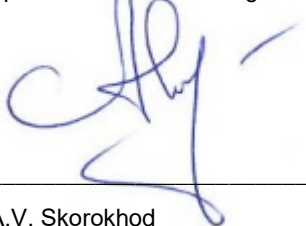
The accompanying notes are an integral part of these consolidated financial statements

KSG Agro S.A.**Unaudited Interim Condensed Consolidated Statement of Profit or Loss**

for the three months ended 31 March 2020

<i>In thousands of US dollars</i>	Note	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Revenue	14	3,242	3,399
Net change in fair value of biological assets and agricultural produce	14	1,247	667
Cost of sales	14	(3,424)	(4,194)
Gross profit		1,065	(128)
Selling, general and administrative expenses	15	(339)	(207)
Other operating income		22	287
Operating profit		748	(48)
Finance income	17	1	4,351
Finance expenses	17	(524)	(305)
Foreign currency exchange gain/(loss), net	18	(2,641)	878
Gain/(loss) on disposal of subsidiaries		-	(685)
Other expenses	16	(604)	(727)
Profit before tax		(3,020)	3,464
Income tax expense		-	(1)
Profit for the period		(3,020)	3,463
Profit attributable to:			
Owners of the Company		(2,924)	3,467
Non-controlling interest		(96)	(4)
Profit for the period		(3,020)	3,463
Earnings per share			
Weighted-average number of common shares outstanding		15,020,000	15,020,000
Basic and diluted earnings per share, USD		(0.19)	0.23

Approved for issue and signed on behalf of the Board of Directors on 15 May 2020.


A.V. Skorokhod
(Chief Executive Officer)

L.L. Omelchenko
(Chief Financial Officer)

The accompanying notes are an integral part of these consolidated financial statements

KSG Agro S.A.**Unaudited Interim Condensed Consolidated Statement of Other Comprehensive Income***for the three months ended 31 March 2020*

<i>In thousands of US dollars</i>	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Profit for the period	(3,020)	3,463
Other comprehensive income/(loss), net of income tax		
Currency translation differences	(3,070)	(417)
Total comprehensive income/(loss) for the period	(6,090)	3,046
Total comprehensive income/(loss) attributable to:		
Owners of the Company	(3,148)	3,163
Non-controlling interests	(2,942)	(117)
Total comprehensive income/(loss) for the period	(6,090)	3,046

Approved for issue and signed on behalf of the Board of Directors on 15 May 2020.

A.V. Skorokhod
(Chief Executive Officer)L.L. Omelchenko
(Chief Financial Officer)

The accompanying notes are an integral part of these consolidated financial statements

KSG Agro S.A.**Unaudited Interim Condensed Consolidated Statement of Cash Flows***for the three months ended 31 March 2020*

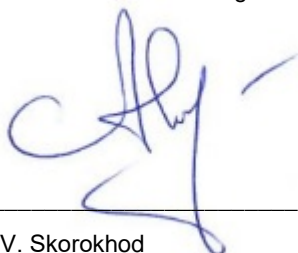
<i>In thousands of US dollars</i>	Note	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Cash flow from operating activities			
Profit before tax		(3,020)	3,464
Adjustments for:			
Depreciation and amortisation	7, 8	419	315
Net change in fair value of biological assets and agricultural produce	9	(1,247)	(667)
Impairment and write-off of inventory	16	460	156
Impairment and write-off of VAT and accounts receivable	16	144	499
Write-off of accounts payable		(22)	(286)
Finance income	17	(1)	(4,351)
Finance expenses	17	524	305
Exchange differences		3,688	(878)
(Gain)/loss on disposal of subsidiaries		-	685
Operating cash flow before working capital changes		945	(758)
Change in trade and other accounts receivable		(1,206)	1,219
Change in biological assets		(1,820)	(687)
Change in inventories and agricultural produce		404	(260)
Change in taxes receivable and payable		(51)	(144)
Change in trade and other accounts payable		1,174	883
Cash generated from operations		(554)	253
Interest paid on loans and leases	8, 13	(333)	(135)
Income tax paid		-	(1)
Cash generated from / (used in) operating activities		(887)	117
Cash flow from investment activities			
Acquisition and disposal of property, plant and equipment		(142)	(75)
Interest received		1	5
Disposal of subsidiaries, net of cash disposed		-	-
Cash generated from / (used in) investment activities		(141)	(70)

The accompanying notes are an integral part of these consolidated financial statements

KSG Agro S.A.**Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)***for the three months ended 31 March 2020*

<i>In thousands of US dollars</i>	Note	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Cash flow from financing activities			
Proceeds from bank and other loans	13	8,689	410
Repayment of bank and other loans	13	(4,090)	(572)
Repayment of leases	8	-	(14)
Cash generated from / (used in) financing activities		4,599	(176)
Net (decrease) / increase in cash and cash equivalents		3,571	(129)
Cash and cash equivalents at the beginning of the period		249	269
Effect of exchange rate differences on cash and cash equivalents		(436)	(5)
Cash and cash equivalents at the end of the period		3,384	135

Approved for issue and signed on behalf of the Board of Directors on 15 May 2020.

A.V. Skorokhod
(Chief Executive Officer)L.L. Omelchenko
(Chief Financial Officer)

The accompanying notes are an integral part of these consolidated financial statements


KSG Agro S.A.

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

for the three months ended 31 March 2020

Note	Attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Currency translation reserve	Retained earnings	Total attributable to owners of the Company		
<i>In thousands of US dollars</i>								
Balance as at 1 January 2019	150	37,366	(112)	(10,659)	(40,274)	(13,529)	7,167	(6,362)
Profit for the period	-	-	-	-	3,467	3,467	(4)	3,463
Other comprehensive income/(loss)	-	-	-	(304)	-	(304)	(113)	(417)
Total comprehensive income/(loss) for the period	-	-	-	(304)	3,467	3,163	(117)	3,046
Balance as at 31 March 2019 (unaudited)	150	37,366	(112)	(10,963)	(36,807)	(10,366)	7,050	(3,316)
Balance as at 1 January 2020 (unaudited)	150	37,366	(112)	(3,877)	(35,801)	(2,274)	15,696	13,422
Profit for the period	-	-	-	-	(2,924)	(2,924)	(96)	(3,020)
Other comprehensive income/(loss)	-	-	-	(224)	-	(224)	(2,846)	(3,070)
Total comprehensive income/(loss) for the period	-	-	-	(224)	(2,924)	(3,148)	(2,942)	(6,090)
Balance as at 31 March 2020 (unaudited)	150	37,366	(112)	(4,101)	(38,725)	(5,422)	12,754	7,332

Approved for issue and signed on behalf of the Board of Directors on 15 May 2020.



A.V. Skorokhod
(Chief Executive Officer)



L.L. Omelchenko
(Chief Financial Officer)

The accompanying notes are an integral part of these consolidated financial statements

KSG Agro S.A.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

1. Corporate Information

KSG Agro S.A. (the "Company") was incorporated under the name Borquest S.A. on 16 November 2010 as a "Société Anonyme" under Luxembourg Company Law for an unlimited period. On 08 March 2011 the Company's name was changed to KSG Agro S.A.

The registered office of the Company is at 24, rue Astrid, L-1143 Luxembourg and the Company number with the Registre de Commerce is B 156 864.

The Company and its subsidiaries (together referred to as the "Group") produces, stores, processes and sells agricultural products and its business activities are conducted mainly in Ukraine.

2. Group Structure

The Company's immediate parent is OLBIS Investments LTD SA, registered in Panama, and the ultimate controlling party is Mr. Sergiy Kasianov. OLBIS Investments LTD S.A. holds 64.62% of the issued share capital of the Company, 0.21% of shares are treasury shares and the remaining 35.17% of shares are listed on the Warsaw Stock Exchange.

Principal activities of the entities forming the Group and the Company's effective ownership interest in these entities as at 31 March 2020 and 31 December 2019 were as follows:

Entity	Principal activity	Country of registration	Effective ownership ratio, %	
			31 March 2020	31 December 2019
KSG Agro S.A.	Holding company	Luxembourg		
KSG Agricultural and Industrial Holding LTD	Subholding company	Cyprus	100%	100%
KSG Agro Polska	Dormant	Poland	100%	100%
KSG Energy Group LTD	Dormant	Cyprus	50%	50%
Parisifia LTD	Intermediate holding company	Cyprus	50%	50%
Abbondanza SA	Trade of agricultural products	Switzerland	50%	50%
Enterprise #2 of Ukrainian Agricultural and Industrial Holding LLC	Agricultural production	Ukraine	100%	100%
Scorpio Agro LLC	Agricultural production	Ukraine	100%	100%
Agro-Trade House Dniprovisky LLC	Agricultural production	Ukraine	100%	100%
Trade House Rantye	Trade of agricultural products	Ukraine	100%	100%
Trade House of the Ukrainian Agroindustrial Holding LLC	Agricultural production	Ukraine	100%	100%
KSG Dnipro LLC	Agricultural production	Ukraine	100%	100%
Agro Golden LLC	Agricultural production	Ukraine	100%	100%
SPE Promvok LLC	Agricultural production	Ukraine	100%	100%
Hlebna Liga LLC	Trade of agricultural products	Ukraine	100%	100%
Agrofirm Vesna LLC	Agricultural production	Ukraine	100%	100%
Agro LLC	Lessor of equipment, liquidation	Ukraine	100%	100%
KSG Trade House LTD	Dormant	Ukraine	100%	100%
Askoninteks LLC	Dormant	Ukraine	100%	100%
Agroplaza LLC	Intermediate holding company	Ukraine	50%	50%
Stepove LLC	Agricultural production	Ukraine	50%	50%
Dzhereho LLC	Agricultural production	Ukraine	50%	50%
Kolosyste LLC	Agricultural production	Ukraine	50%	50%
Strong-Invest LLC	Agricultural production	Ukraine	50%	50%
Rantye LLC	Agricultural production	Ukraine	50%	50%
Pererobnyk PE LLC	Dormant	Ukraine	25%	25%

KSG Agro S.A.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

Operating entity	Principal activity	Country of registration	Effective ownership ratio, %	
			31 March 2020	31 December 2019
Ukrzernoprom - Prudy LLC *	Agricultural production	Ukraine	50%	50%
Ukrzernoprom - Uytne LLC *	Agricultural production	Ukraine	50%	50%
Ukrzernoprom - Kirovske LLC *	Agricultural production	Ukraine	50%	50%
Ukrzernoprom - Yelizavetove LLC *	Agricultural production	Ukraine	50%	50%

Entities marked with * are located in Crimea. The Group has no operating control over them from October 2014, so deconsolidation of these entities was provided and net assets were written off to zero.

The Group consolidates all other subsidiaries, including those where it owns less than 51 per cent of the equity shares. Based on the contractual arrangements between the Group and other investors, the Group has the power to appoint and remove the majority of the board of directors of these subsidiaries. The relevant activities of subsidiaries are determined by their boards of directors based on simple majority votes. Therefore, management of the Group concluded that the Group has control over the subsidiaries and the subsidiaries are consolidated in these financial statements.

3. Operating Environment and Going Concern

In determining the appropriate basis for preparation of the consolidated financial statements, Management are required to consider whether the Group can continue in operational existence for the foreseeable future. The financial performance of the Group is naturally dependent upon weather conditions in areas of operation and the wider economic environment of Ukraine.

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak, the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments of all countries where the Group operates have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

Management has considered all available information about the future, which was obtained after 31 March 2020, including the impact of the COVID-19 outbreak on customers, suppliers and staff, as well as actual and projected foreseeable impact from various factors, such as the following:

- whether the Group can continue to operate if staff were not able to physically be present;
- the duration that the Group could survive given the availability of cash resources and the flexibility of its cost base;
- whether there has been a significant decline in revenue;
- whether there has been a significant erosion of profits due to higher costs or incurrence of unforeseen expenses;
- whether there is a likelihood of potential breach of debt covenants as a result of the adverse impact on its financials;
- whether there have been any concerns on the continuation of receipt of goods and services from suppliers.

Management has concluded that there is no significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business operations.

Management will continue to monitor the situation closely and will assess the need for additional measures in case the period of disruption becomes prolonged.

KSG Agro S.A.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

4. Adoption of New or Revised Standards and Interpretations

The Group has adopted the following new and amended IFRS Standards and Interpretations that are effective for annual periods beginning on or after 1 January 2020:

- IFRS 17 – Insurance Contracts;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IFRS 3: Definition of a business;
- Amendments to IAS 1 and IAS 8: Definition of material;
- Conceptual Framework: Amendments to References to the Conceptual Framework in IFRS Standards.

The adoption of the above Standards and Interpretations has not had any material effect on the disclosures or on the amounts reported in these consolidated financial statements. However, following the clarified guidance of the new Conceptual Framework in respect of 'obscuring information', going forward the Group plans to change the order and format of certain disclosures where such change would improve the presentation of information to the primary users.

5. Summary of Significant Accounting Policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('last annual financial statements').

These consolidated financial statements are condensed, i.e. they do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that Management deemed significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Functional and presentation currency

The currency of each consolidated entity is the currency of the primary economic environment in which the entity operates. The functional currency for the majority of the consolidated entities is the Ukrainian hryvnia. As the Group's management uses USD when monitoring operating results and financial condition of the Group, the presentation currency of the financial statements is USD.

The exchange rates used for translating foreign currency balances were:

	As at 31 March 2020	Average for three months ended 31 March 2020	As at 31 December 2019	Average for three months ended 31 March 2019
USD/UAH	28.0615	25.0525	23.6862	27.3058
EUR/UAH	30.9617	27.6154	26.4220	31.0293

The accounting policies applied in these interim financial statements are the same as those applied in the Group's last annual financial statements. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

6. Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the Group's accounting policies.

The significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements.

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

7. Property, Plant and Equipment

Changes in property, plant and equipment for the three months ended 31 March 2020 were as follows:

	Buildings	Agricultural equipment	Vehicles and office equipment	Construction in progress	Total
As at 1 January 2020 (unaudited)					
Cost	18,436	5,517	681	1,941	26,575
Accumulated depreciation	(4,140)	(2,478)	(398)	-	(7,016)
Carrying amount	14,296	3,039	283	1,941	19,559
Additions	-	16	5	132	153
Disposals	(11)	-	-	-	(11)
Transfers	431	42	-	(473)	-
Depreciation charge	(228)	(58)	(19)	-	(305)
Exchange differences	(2,255)	(465)	(47)	(266)	(3,033)
Carrying amount	12,233	2,574	222	1,334	16,363
As at 31 March 2020 (unaudited)					
Cost	15,912	4,710	575	1,334	22,531
Accumulated depreciation	(3,679)	(2,136)	(353)	-	(6,168)
Carrying amount	12,233	2,574	222	1,334	16,363

8. Leases

Changes in right-of-use assets for the three months ended 31 March 2020 were as follows:

	2020
Cost	1,810
Accumulated amortisation	(512)
Right-of-use assets as at 1 January (unaudited)	1,298
Amortisation charge	(114)
Exchange differences	(191)
Right-of-use assets as at 31 March (unaudited)	993
Cost	1,533
Accumulated amortisation	(540)
Right-of-use assets as at 31 March (unaudited)	993

Changes in lease liabilities for the three months ended 31 March 2020 were as follows:

	2020
Lease liabilities as at 1 January (unaudited)	2,742
Interest accrued	122
Interest paid	(122)
Exchange differences	261
Lease liabilities as at 31 March (unaudited)	3,003

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

9. Biological Assets

	31 March 2020 (unaudited)		31 December 2019 (unaudited)	
	Units	Amount	Units	Amount
Non-current biological assets (livestock)				
Sows	4,747	28,016	4,777	33,191
Boars	37	3	32	3
Total non-current biological assets		28,019		33,194
Current biological assets (livestock)				
Pigs and piglets	43,977	2,274	38,420	1,822
Current biological assets (crops)				
Wheat	4,948	3,213	4,948	2,640
Barley	1,176	793	1,176	711
Rapeseed	2,038	1,002	2,038	678
Sunflower	59	315	59	27
Other	36	286	36	188
Total current biological assets		7,883		6,066
Total biological assets		35,902		39,260

Changes in biological assets for the three months ended 31 March 2020 were as follows:

	Crops	Livestock	Total
Carrying amount as at 1 January 2020 (unaudited)	4,244	35,016	39,260
Purchases	-	-	-
Investments into future crops and livestock	1,604	2,613	4,217
Sales	-	(2,397)	(2,397)
Gain/(loss) arising from changes in fair value attributable to physical changes and changes in market prices	662	585	1,247
Harvested during the period	-	-	-
Exchange differences	(901)	(5,524)	(6,425)
Carrying amount as at 31 March 2020 (unaudited)	5,609	30,293	35,902

10. Inventories and Agricultural Produce

	31 March 2020 (unaudited)	31 December 2019 (unaudited)
Agricultural produce	1,137	1,839
Work in progress	2,072	2,070
Semi-finished products	504	1,091
Agricultural stock	1,387	1,791
Raw materials	320	574
Goods for resale	16	513
Finished products	119	120
Fuel	209	266
Other	690	156
Total inventories and agricultural produce	6,454	8,420

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

11. Trade and Other Accounts Receivable

	31 March 2020 (unaudited)	31 December 2019 (unaudited)
Trade accounts receivable	7,131	8,143
Less: provision for trade accounts receivable	(3,606)	(4,272)
Loans issued	5,094	5,459
Less: provision for loans issued	(1,973)	(2,338)
Other financial receivables	3,065	3,338
Less: provision for other financial receivables	(2,599)	(3,079)
Total financial accounts receivable	7,112	7,251
Advances issued	339	245
Less: provision for advances issued	(32)	(41)
Total trade and other accounts receivable	7,419	7,455

12. Trade and Other Accounts Payable

	31 March 2020 (unaudited)	31 December 2019 (unaudited)
Trade accounts payable	16,897	19,325
Financial assistance received	1,340	1,495
Other financial payables	6,316	6,542
Total financial accounts payable	24,553	27,362
Prepayments received	2,465	2,841
Provision for tax liabilities	845	1,001
Wages and salaries accrued	93	104
Total trade and other accounts payable	27,956	31,308

13. Bank and Other Loans

	31 March 2020 (unaudited)	31 December 2019 (unaudited)
Bank loans	15,778	12,382
Loan from related party	10,363	10,363
Interest payable	5,945	5,905
Total bank and other loans	32,086	28,650

Changes in bank and other loans for the three months ended 31 March 2020 were as follows:

	2020
Carrying amount as at 1 January (unaudited)	28,650
Loans received	8,689
Loans repaid	(4,090)
Interest accrued	384
Interest paid	(211)
Exchange differences	(1,336)
Carrying amount as at 31 March (unaudited)	32,086

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

14. Operating Segments

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's CEO reviews internal management reports on at least quarterly basis. The operations in each of the Group's reporting segments are:

- *Crop production.* Crop production is focused on sunflower, wheat, barley, rapeseed and corn. The main factors affecting the crop production segment are climatic conditions, land quality, plant nutrition and moisture levels in the arable land.
- *Food Processing.* Established relationships with retail chains provide the Group with opportunities to sell groceries and meat products. Currently the Group produces meat products such as sausages and meat delicacies for retail chains.
- *Pigs breeding.* A segment which deals with pigs breeding and sale of pigs and piglets in live and dead weight.
- *Other operations.* This operating segment includes the production of fuel pellets, thermal energy and rendering of services to third parties.

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Group's segments relative to other entities that operate within these industries.

Seasonality of operations

Crop production segment, due to seasonality and implications of relevant reporting standards, in the first half of the year mainly reflects the sales of carried forward agricultural produce and effect of biological assets revaluation, while during the second half of the year it reflects sales of crops and effect of revaluation of agricultural produce harvested during the year. Also, crop production segment has seasonal requirements for working capital increase during November-May, to undertake land preparation work. Other segments are not significantly exposed to seasonal fluctuations.

Information about operating segments for the three months ended 31 March 2020 (unaudited) is as follows:

	Crop production	Food processing	Pigs breeding	Other operations	Total
Revenue, including:					
- sales of goods	124	1,028	1,567	255	2,974
- rendering of services	-	-	-	268	268
Revenue from external customers	124	1,028	1,567	523	3,242
Net change in fair value of biological assets and agricultural produce	662	-	585	-	1,247
Cost of sales	(215)	(1,088)	(1,908)	(213)	(3,424)
Segment profit/(loss)	571	(60)	244	310	1,065

Information about operating segments for the three months ended 31 March 2019 (unaudited) is as follows:

	Crop production	Food processing	Pigs breeding	Other operations	Total
Revenue, including:					
- sales of goods	797	678	1,840	48	3,363
- rendering of services	-	-	-	36	36
Revenue from external customers	797	678	1,840	84	3,399
Net change in fair value of biological assets and agricultural produce	69	-	598	-	667
Cost of sales	(829)	(666)	(2,656)	(43)	(4,194)
Segment profit/(loss)	37	12	(218)	41	(128)

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

for the three months ended 31 March 2020

(All amounts in USD thousand, unless otherwise stated)

15. Selling, General and Administrative Expenses

	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Wages and salaries	84	49
Informational, expert and consulting services	21	11
Delivery costs	-	2
Storage costs	106	76
Depreciation and amortisation	36	38
Taxes, other than income tax	13	4
Bank services	35	8
Fuel and other materials	3	-
Office maintenance costs	20	-
Business trips	21	-
Other expenses	-	19
Total selling, general and administrative expenses	339	207

16. Other Expenses

	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Impairment of trade and other receivables	83	439
Inventory write-down	460	156
Impairment of cash and cash equivalents	61	-
VAT write-off	-	60
Fines and penalties	-	72
Total other expenses	604	727

17. Finance Income and Expenses

	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Finance income		
Interest income	1	5
Other finance income	-	4,346
Total finance income	1	4,351
Finance expenses		
Interest expense on bank and other loans	(384)	(289)
Interest expense on leases	(122)	-
Other finance expenses	(18)	(16)
Total finance expenses	(524)	(305)

18. Foreign Currency Exchange Gain/(Loss), net

	Three months 2020 (unaudited)	Three months 2019 (unaudited)
Foreign currency exchange gain	105	991
Foreign currency exchange loss	(2,746)	(113)
Net amount	(2,641)	878

KSG Agro S.A.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements***for the three months ended 31 March 2020**(All amounts in USD thousand, unless otherwise stated)***19. Related Parties**

Significant related party balances outstanding were as follows:

	31 March 2020 (unaudited)		31 December 2019 (unaudited)	
	Parent and owners	Entities under common control	Parent and owners	Entities under common control
Assets				
Trade and other accounts receivable	-	413	-	424
Loans issued	-	1,121	-	1,230
Other financial receivables	-	5	-	6
Advances issued	-	52	-	54
Liabilities				
Loan	10,363	-	10,363	-
Interest payable	3,942	-	3,864	-
Trade and other accounts payable	25	117	25	128
Financial assistance received	-	28	-	11
Other accounts payable	-	643	-	702
Prepayments received	-	76	-	90

20. Events After the Reporting Period

There were no material subsequent events.