

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2021

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2021 (unaudited)	2020 (unaudited)
Operating activities			
Profit/(loss) before tax		144 127	(418 604)
<i>Adjustments for:</i>			
Depreciation and amortization		396 075	436 875
Allowance for trade and other accounts receivable	14	9 549	-
Loss on disposal of property, plant and equipment	14	6 821	35 807
Write down of inventories	14	-	2 649
VAT written off	14	3 362	3 719
Interest income	15	(3 999)	(4 358)
Other finance income	15	(664)	-
Interest expense	15	26 036	68 124
Other finance costs	15	28 478	6 042
Interest expense on lease liability	5,15	173 979	184 587
Changes in fair value of biological assets and agricultural produce		29 974	(289 117)
Recovery of assets previously written off		(25 087)	(1 500)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	15	(8 892)	(783)
Foreign exchange (gain)/loss		(13 304)	497 203
<i>Working capital adjustments:</i>			
Decrease in inventories		257 371	772 374
(Increase)/decrease in trade and other receivables		(143 023)	284 333
Increase in biological assets due to other changes		(155 184)	(364 917)
Increase in trade and other payables		173 383	182 145
Income taxes paid		(23 071)	(41 378)
Cash flows provided by operating activities		875 931	1 353 201
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(95 354)	(178 417)
Proceeds from disposal of property, plant and equipment		10 576	-
Interest received	15	3 999	4 358
Disposal of subsidiaries		106 894	-
Cash deposits placement		(3 919)	(645)
Cash deposits withdrawal		1 549	10 247
Cash flows provided by (used in) investing activities		23 745	(164 457)
Financing activities			
Proceeds from loans and borrowings		-	1 050 864
Repayment of loans and borrowings		(770 199)	(995 977)
Payment of lease liabilities	5	(179 899)	(130 464)
Payment of interest on lease liabilities	5	(173 979)	(184 587)
Interest paid		(36 029)	(88 693)
Cash flows used in financing activities		(1 160 106)	(348 857)
Net increase/(decrease) in cash and cash equivalents		(260 430)	839 887
Cash and cash equivalents as at 1 January		774 831	326 046
Currency translation difference		15 428	(337)
Cash and cash equivalents as at 31 March		529 829	1 165 596

The notes on pages 26 to 46 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2021

<i>(in thousands of Euros)</i>	Notes	2021 (unaudited)	2020 (unaudited)
Operating activities			
Profit/(loss) before tax		4 271	(15 159)
<i>Adjustments for:</i>			
Depreciation and amortization		11 733	15 820
Allowance for trade and other accounts receivable	14	283	-
Loss on disposal of property, plant and equipment	14	202	1 297
Write down of inventories	14	-	96
VAT written off	14	100	135
Interest income	15	(119)	(158)
Other finance income	15	(19)	-
Interest expense	15	770	2 467
Other finance costs	15	844	219
Interest expense on lease liability	5,15	5 154	6 684
Changes in fair value of biological assets and agricultural produce		888	(10 469)
Recovery of assets previously written off		(743)	(54)
Net profit attributable to non-controlling participants in limited liability company subsidiaries	15	(263)	(28)
Foreign exchange (gain)/loss		(394)	18 005
<i>Working capital adjustments:</i>			
Decrease in inventories		7 624	27 969
(Increase)/decrease in trade and other receivables		(4 237)	10 296
Increase in biological assets due to other changes		(4 597)	(13 214)
Increase in trade and other payables		5 136	6 596
Income taxes paid		(683)	(1 498)
Cash flows provided by operating activities		25 950	49 004
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(2 825)	(6 461)
Proceeds from disposal of property, plant and equipment		313	-
Interest received	15	119	158
Disposal of subsidiaries		3 167	-
Cash deposits placement		(116)	(23)
Cash deposits withdrawal		46	370
Cash flows provided by (used in) investing activities		704	(5 956)
Financing activities			
Proceeds from loans and borrowings		-	38 054
Repayment of loans and borrowings		(22 816)	(36 066)
Payment of lease liabilities	5	(5 329)	(4 725)
Payment of interest on lease liabilities	5	(5 154)	(6 684)
Interest paid		(1 067)	(3 212)
Cash flows used in financing activities		(34 366)	(12 633)
Net increase/(decrease) in cash and cash equivalents		(7 712)	30 415
Cash and cash equivalents as at 1 January		22 304	12 340
Currency translation difference		1 599	(5 109)
Cash and cash equivalents as at 31 March		16 191	37 646

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2021

Attributable to equity holders of the parent company

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
<i>(in thousands of Ukrainian hryvnias)</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 31 December 2020	1 663	369 798	9 066 354	1 926 064	(119 260)	474 036	11 718 655
Net profit	-	-	122 503	-	-	-	122 503
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(44)	-	-	(44)
Translation difference	-	-	-	-	-	15 430	15 430
Total other comprehensive loss, net of tax	-	-	-	(44)	-	15 430	15 386
Total comprehensive income	-	-	122 503	(44)	-	15 430	137 889
Realisation of revaluation surplus, net of tax	-	-	110 533	(110 533)	-	-	-
As at 31 March 2021	1 663	369 798	9 299 390	1 815 487	(119 260)	489 466	11 856 544

Attributable to equity holders of the parent company

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
<i>(in thousands of Euros)</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 31 December 2020	250	55 638	521 311	87 251	(5 527)	(321 597)	337 326
Net profit	-	-	3 630	-	-	-	3 630
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(1)	-	-	(1)
Translation difference	-	-	-	-	-	21 373	21 373
Total other comprehensive income, net of tax	-	-	-	(1)	-	21 373	21 372
Total comprehensive loss	-	-	3 630	(1)	-	21 373	25 002
Realisation of revaluation surplus, net of tax	-	-	5 007	(5 007)	-	-	-
As at 31 March 2021	250	55 638	529 948	82 243	(5 527)	(300 224)	362 328

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2020

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)

	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 31 December 2019	1 663	369 798	8 349 380	2 482 363	(119 260)	508 868	11 592 812
Net loss	-	-	(367 718)	-	-	-	(367 718)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(41)	-	-	(41)
Translation difference	-	-	-	-	-	(338)	(338)
Total other comprehensive loss, net of tax	-	-	-	(41)	-	(338)	(379)
Total comprehensive loss	-	-	(367 718)	(41)	-	(338)	(368 097)
Realisation of revaluation surplus, net of tax	-	-	129 275	(129 275)	-	-	-
As at 31 March 2020	1 663	369 798	8 110 937	2 353 047	(119 260)	508 530	11 224 715

Attributable to equity holders of the parent company

(in thousands of Euros)

	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 31 December 2019	250	55 638	492 290	112 451	(5 527)	(216 347)	438 755
Net loss	-	-	(13 316)	-	-	-	(13 316)
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(2)	-	-	(2)
Translation difference	-	-	-	-	-	(62 903)	(62 903)
Total other comprehensive income, net of tax	-	-	-	(2)	-	(62 903)	(62 905)
Total comprehensive loss	-	-	(13 316)	(2)	-	(62 903)	(76 221)
Realisation of revaluation surplus, net of tax	-	-	5 856	(5 856)	-	-	-
As at 31 March 2020	250	55 638	484 830	106 593	(5 527)	(279 250)	362 534

The notes on pages 26 to 46 are an integral part of these condensed 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 99.99% of the capital of LLC "Firm "Astarta-Kyiv" (Astarta-Kyiv) registered in Ukraine, which in turn controls a 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, grain and oilseeds growing, soybean processing and cattle farming. The farmlands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet, soybeans are processed at own crushing facility and cattle farming uses in-house agricultural produce as feedstock.

(a) Ukrainian business environment

In 2020, the Ukrainian economy underwent contraction due to COVID-19 pandemic with real GDP decline of around 4% (2019: growth at 3%), modest annual inflation of 5% (2019: 4%), and weakening of the national currency by 4% to USD and 6% to EUR compared to previous year averages. Economic activity in 4Q2020 demonstrated recovery in real GDP. The main driver was growth in household consumption due to the shortening and postponement of the latest lockdown to January 2021 which is the period of seasonally lower business activity.

Sound fiscal and monetary management, including efforts to keep current public expenditures under control, helped reducing inflation in 2020. Strong remittances and inflows of foreign capital into the domestic bond market helped lowering the current account deficit and support international reserves.

Ukraine remains vulnerable to external shocks and commodity price cycles due to its reliance on commodity exports.

Starting from March 2020, the National Bank of Ukraine ("NBU") gradually decreased the discount rate for the first time in the last two years from 18% in April 2019 to 6% in June 2020, which is the historical minimum since the independence of Ukraine. In April 2021, the NBU raised the refinancing rate to 7.5%.

Further economic growth depends, to a large extent, upon success of the Ukrainian government in realization of planned reforms and recovery strategy, cooperation with the International Monetary Fund ("IMF"). In June 2020 the IMF approved a new 18-month USD 5 billion stand-by arrangement to the country with the immediate disbursement of USD 2 billion, which should finance budget expenditures to mitigate the negative effects of COVID-19 pandemic and quarantine restrictions. In addition, it should boost the international reserves this year, despite making significant repayments on external public debt.

In 2021, Ukraine faces significant public debt repayments, which will require mobilising substantial domestic and external financing in an increasingly challenging financing environment for emerging markets.

In February 2021 amendments to the Tax Code of Ukraine on reducing the VAT rate from 20% to 14% on transactions for the import and supply of certain agricultural products in Ukraine came into force. Starting from 1 March 2021 reduced VAT rate to 14% will be applied to transactions with certain types of agricultures produce (including wheat, corn, barley, soybean).

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Revenues from external customers	28 756	28 755	14 626	39 170	9 159	10 042	29 301	22 348	993	1 029	82 835	101 344
Inter-segment revenues	-	-	4 382	3 944	-	-	-	-	-	-	4 382	3 944
Cost of revenues	(17 421)	(24 671)	(12 061)	(30 411)	(6 396)	(8 224)	(25 533)	(17 949)	(865)	(693)	(62 276)	(81 948)
Inter-segment cost of revenues	-	-	-	-	(4 382)	(3 944)	-	-	-	-	(4 382)	(3 944)
Changes in fair value of biological assets and agricultural produce	-	-	1 465	9 945	(2 353)	524	-	-	-	-	(888)	10 469
Gross profit	11 335	4 084	4 030	18 704	410	2 342	3 768	4 399	128	336	19 671	29 865
General and administrative expense	(1 855)	(1 587)	(2 823)	(3 250)	(752)	(488)	(192)	(161)	(564)	(387)	(6 186)	(5 873)
Selling and distribution expense	(1 245)	(1 701)	(2 048)	(6 126)	(343)	(221)	(614)	(1 587)	(47)	(70)	(4 297)	(9 705)
Other operating (expense) income	(392)	(311)	(844)	(661)	(48)	(40)	(131)	(157)	(89)	(1 163)	(1 504)	(2 332)
Profit (loss) from operations	7 843	485	(1 685)	8 667	(733)	1 593	2 831	2 494	(572)	(1 284)	7 684	11 955
Interest expense on lease liability	(124)	(177)	(4 780)	(6 184)	-	-	-	-	(250)	(323)	(5 154)	(6 684)
Foreign currency exchange (loss) gain	52	(7 146)	491	(10 912)	-	-	(70)	(737)	(79)	790	394	(18 005)
Interest expense	(147)	(881)	(613)	(1 450)	-	-	-	(119)	(10)	(17)	(770)	(2 467)
Interest income	-	-	-	-	-	-	-	-	119	158	119	158
Other (expense) income	-	-	-	-	-	-	-	-	1 998	(116)	1 998	(116)
Profit (loss) before tax	7 624	(7 719)	(6 587)	(9 879)	(733)	1 593	2 761	1 638	1 206	(792)	4 271	(15 159)
Taxation	-	-	-	-	-	-	-	-	(641)	1 843	(641)	1 843
Net profit (loss)	7 624	(7 719)	(6 587)	(9 879)	(733)	1 593	2 761	1 638	565	1 051	3 630	(13 316)
Consolidated total assets	87 717	129 363	329 105	395 451	37 943	40 900	32 415	33 126	37 097	60 896	524 277	659 736
Consolidated total liabilities	9 904	51 311	133 605	214 165	151	224	3 190	13 886	15 099	17 616	161 949	297 202
Other segment information:												
Depreciation and amortisation	1 868	2 923	8 918	11 734	279	362	358	397	310	404	11 733	15 820
Additions to non-current assets:												
Property, plant and equipment	416	49	3 060	6 861	77	-	57	74	5	135	3 615	7 119
Intangible assets	59	-	-	1	1	-	-	-	2	6	62	7
Right-of-use asset	39	-	2 968	3 036	-	-	-	-	17	971	3 024	4 007

17 RELATED PARTY TRANSACTIONS

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

The following table summarises transactions that have been entered into with related parties for the three months ended 31 March 2021 as well as balances with related parties as at 31 March 2021:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under control of one of the shareholders with significant influence over the Group	1 218	10 608	5 995	101 986
	1 218	10 608	5 995	101 986

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under control of one of the shareholders with significant influence over the Group	36	314	183	3 117
	36	314	183	3 117

The following table summarises transactions that have been entered into with related parties for the three months ended 31 March 2020 as well as balances with related parties as at 31 March 2020:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under control of one of the shareholders with significant influence over the Group	660	8 484	6 202	109 449
	660	8 484	6 202	109 449

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under control of one of the shareholders with significant influence over the Group	24	307	200	3 535
	24	307	200	3 535

Other transactions

As at 31 March 2021, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 97,553 thousand (31 March 2020: UAH 105,511 thousand) or EUR 2,981 thousand (31 March 2020: EUR 3,408 thousand) bearing an interest of 4.5% p.a.

The Group rents an office premises from related party and has accounted these lease agreements according IFRS 16. As at 31 March 2021, the Group had the lease liability in amount of UAH 209,721 thousand or EUR 6,409 thousand and respective right-of-use asset in amount of UAH 188,336 thousand or EUR 5,755 thousand (2020: UAH 203,513 thousand or EUR 6,573 thousand and UAH 197,320 thousand or EUR 6,373 thousand respectively) (Note 5). During 3 months 2021 the Group recognized depreciation charge of right-of-use asset in amount of UAH 3,747 thousand or EUR 111 thousand as General and administrative expenses (2020: UAH 3,023 thousand or EUR 109 thousand) (Note 5 and Note 12). During 3 months 2021 the interest expense was charged in amount of UAH 7,998 thousand or EUR 237 thousand (2020: UAH 8,872 thousand or EUR 321 thousand) (Note 5 and Note 15).

18 EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no subsequent events to mention.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

V. Gladky (signed)

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

H.Dahl (signed)

G.Mettetal (signed)

H.Arslan (signed)

18 May 2021

Amsterdam, the Netherlands



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Holding N.V.

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