



Quarterly consolidated report for the period
1st July 2020 – 30st September 2020

13th November 2020

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General information about the Company

Company details:

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1.1 COMPANY PROFILE

The core activity of the Cereal Planet Group, is the production of cereals (buckwheat, pea, wheat, barley, maize, and millet) with the Group's own equipment. The cereals are distributed B2B and B2C. Majority distribution is done in the B2B format. Major trade marks split into the following groups : BULGUR – convenient food, MAIFAINA – tasty cereal , RIDLANA – top quality products, ZLOTOKOSICA – variety of products, and food for animals. Each group has selection of products and has its own features.

Cereal Planet PLC is a holding company and owns 1 subsidiary - Olimp LLC located in Ukraine, production and sales is executed by the subsidiary.

Cereal Planet Group (The Group) first ventured into grits industry in 1998 and achieved nowadays around 10% of the Ukrainian market.

The Group of companies has a trade chain in Kharkov and in the region, key clients-distributors in large regional and district cities of Ukraine, the sales channels of which are used for sales of Group owned and other trademarks.

The Group's technological equipment enables grain to be used in baking, confectionary, and medical fields (flax, rape, coriander, sunflower), and to be used in the preparation of fodder for various animals based on millet, rape and oats.

The Group has been exporting cereals to more than 30 countries including CIS countries, Europe and Asia for over 15 years. The prevalent export items are cereals and grain manufactured by the Group, as well as grain purchased from agricultural companies in bulk, which are exported using the railway and sea transport. The experience and long-term presence in this market made it possible to create and permanently expand the circle of partners in various countries of the world, the number of which nowadays exceeds 50 companies.

The Group consists of 3 companies:

Cereal Planet PLC – Cyprus based holding Company

Olimp LLC – Ukrainian based trading and distribution company



1.2 BOARD OF DIRECTORS

Anatoli Vlasenko - Chairman of the Board of Directors

Ask Investment Limited – Member of the Board of Directors (nominee)

Ask Management Limited – Member of the Board of Directors (nominee)

Cereal Planet PLC does not have Supervisory Board.



2 CONDENSED STANDALONE FINANCIAL STATEMENT FOR THE 3 Q 2020

Tables below provide condensed interim financial statements of Cereal Planet PLC, in accordance with International Financial Reporting Standards for a 3 Q 2020 (period ended 30 September 2020). All data are presented in thousand EUR.

2.1 CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Statement of comprehensive income for the period from 01.01.2020 to 30.09.2020

Income statement

for the period began 01 January ended 30 September 2020

	Note	30 September	30 September
		2020	2019
		€000	€000
Continuing operations			
Sales revenue		41	604
Cost of sales		-31	-565
Profit from investment activities			
Income from change in fair value of agricultural products			
Gross profit		10	39
Selling and distribution costs			
Administrative expenses		-16	-21
Net impairment (loss) on financial and contract assets		0	0
Other operating income/(expenses), net		-3	0
Operating profit		-9	18
Financial income/(expenses), net		0	0
Exchange rate differences, net		0	0
Profit before tax from continuing operations		-9	18
Income tax expense		0	0
Profit for the year from continuing operations		-9	18
Profit for the year attributable to			
Equity holders of the parent		-9	18
Non-controlling interest			
Profit for the year from continuing operations		-9	18
Other comprehensive income for the year			
Exchange difference on translating foreign operations			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		-9	18
Total comprehensive income attributable to			
Equity holders of the parent		-9	18
Non-controlling interest			



Statement of comprehensive financial position for the period ended 30.09.2020 and 30.09.2019

Statement of financial position

for the period began 01 January ended 30 September 2020

	30 September 2020	30 September 2019
Assets	€000	€000
Non-current assets		
Property, plant and equipment		
Goodwill	0	0
Investments in subsidiaries	89	107
Total non-current assets	89	107
Current assets		
Current biological assets		
Inventories		
Trade and other receivables	0	306
Prepayments and other current assets, net		
Deposit		
Cash and cash equivalent	0	7
Total current assets	0	313
Total assets	89	420
Equity and liabilities		
Share capital	53	53
Other reserves	111	111
Retained earnings (accumulated losses)	-159	-136
Exchange rate effect	0	0
Equity attributable to equity holders of the parent	6	29
Non-controlling interests	0	0
Total equity	6	29
Non-current liabilities		
Other non-current liabilities		
Deferred tax liability		
Total non-current liabilities	0	0
Current liabilities		
Trade and other payables	84	391
Interest-bearing loans and borrowings		
Provisions		
Total current liabilities	84	391
Total liabilities	84	391
Total equity and liabilities	89	420



2.2 CONDENSED STANDALONE STATEMENT OF CASHFLOW

Statement of cash flows for the period from 01.01.2020 to 30.09.2020

 Condensed statement of cash flows
 for the period from 01/01 to 30/09 of 2020 year

€ '000	01/01/2020 - 30/09/2020	01/01/2019 - 30/09/2019
Cash flows from operating activities		
Profit before tax	-9	18
Adjustments for:		
Unrealised exchange profit		0
Impairment charge - investments in subsidiaries		0
Depreciation of property, plant and equipment		
Exchange difference arising on the translation of assets on foreign currencies	9	
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	0	0
Impairment charge of property, plant and equipment	0	0
Interest income	0	0
Interest expense		
Cash flows from operations before working capital changes	1	18
Increase in inventories and work in progress		
(Decrease)/(increase) in trade and other receivables	203	0
(Decrease)/(increase) in trade and other payables	-206	-27
Cash flows from operations	-2	-9
Tax refunded/income tax paid		
Net cash flows from operating activities	-2	-9
Cash flows from investing activities		
Payment for purchase of investments in subsidiaries	0	0
Payment for purchase of property, plant and equipment	0	0
Acquisition of subsidiaries, net cash outflow on acquisition	0	0
Loans granted	0	0
Interest received	0	0
Net cash flows used in investing activities	0	0
Cash flows from financing activities		
Proceeds from issue of share capital		
Obtaining loans and borrowings		16
Repayments of borrowings		
Suspense account (pending correction of Depreciation, Minority interest and share capital)		
Net cash flows (used in)/from financing activities	0	7
Net decrease in cash and cash equivalents	-2	0
Cash and cash equivalents:		
At beginning of the year/period	2	0
At end of the year/period	0	7



2.3 CONDENSED STANDALONE STATEMENT FOR CHANGES IN EQUITY

Statement of changes in equity for the period from 01.01.2020 ended 30.09.2020.

 Statement of changes in equity
 for the period began 01 January ended 30 September 2020

	Share capital	Retained earnings attributable to equity holders of the parent	Exchange rate effect	Additional paid-in capital	Total
Balance at 31 December 2018	53	-153		111	11
Profit for the year		3		0	3
Other comprehensive income for the year, net		0	0	0	0
Increase of share capital					0
Balance at 31 December 2019	53	-150	0	111	14
Balance at 31 December 2019	53	-150	0,0	111	14
Profit for the year		-9	#	0	-8
Other comprehensive income for the year, net		0	0	0	0
Increase of share capital					0
Balance at 30 September 2020	53	-159	0	111	6



3 CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE 3 Q 2020

Tables below provide condensed consolidated interim financial statements of Cereal Planet PLC, in accordance with International Financial Reporting Standards for the 3 Q 2020 (period ended 30.09.2020). The condensed consolidated interim financial statements and comprehensive income position as well as consolidated statement for the changes in the equity present comparative data for 30.09.2019. All data are presented in thousand EUR.

3.1 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Condensed statement of profit or loss and other comprehensive income for the period from 01.07.2020 to 30.09.2020 (with comparative data).

Condensed statement of profit or loss and other comprehensive income for the period from 01/01 to 30/09 of 2020 year (with comparative data)

	01/01/2020 - 30/09/2020	01/01/2019 - 30/09/2019	01/06/2020 - 30/09/2020	01/06/2019 - 30/09/2019
	€000	€000		
Continuing operations				
Sales revenue	17 305	12 879	4 348	4 064
Cost of sales	(12 951)	(10 222)	(3 418)	(3 108)
Gross profit	4 354	2 657	930	956
Administrative expenses	(521)	(488)	(142)	(167)
Selling expenses	(3 330)	(1 706)	(734)	(593)
Other expenses	(111)	(315)	(77)	(123)
Other income	157	317	158	130
Financial expenses	(368)	(349)	(88)	(127)
Profit before tax	181	115	47	76
Income tax expense	(25)	(26)	(10)	(14)
Net profit for the period	156	88	37	62
Other comprehensive expense for the year				
Currency translation difference	(506)	342	(282)	193
Profit for the year attributable to				
Total comprehensive income for the year	(350)	430	(245)	255

3.2 CONDENSED STATEMENT OF FINANCIAL POSITION



Condensed statement of financial position
 as at 30 September 2020 and 30 September 2019 (with comparative data)

	30 September, 2020	30 September, 2019
Assets	€000	€000
Non-current assets		
Property, plant and equipment	2 621	3 111
Total non-current assets	2 621	3 111
		0
Current assets		0
Inventories	2 028	2 117
Trade and other receivables	3 954	3 973
Cash and cash equivalent	51	73
Total current assets	6 033	6 163
Total assets	8 654	9 274
Equity and liabilities		
Share capital	53	53
Additional paid-in capital	111	111
Exchange differences	-4 848	-4 067
Retained earnings	6 866	6 943
Equity attributable to equity holders of t	2 182	3 040
Non-current liabilities		
Deferred tax liability	2	8
Loans and borrowings non-current	394	0
Total non-current liabilities	396	8
Current liabilities		
Loans and borrowings current	3 041	3 580
Trade and other payables	3 035	2 646
Total current liabilities	6 076	6 226
Total liabilities	6 472	6 234
Total equity and liabilities	8 654	9 274

3.3 CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Condensed statement of cash flows for the period ended 30.09.2020 with comparative data for 30.09.2019



Condensed statement of cash flows
 for the period from 01/01 to 30/09 of 2020 year

€ '000	01/01/2020 - 30/09/2020	01/01/2019 - 30/09/2019
Cash flows from operating activities		
Profit before tax	181	115
Adjustments for:		0
Depreciation of property, plant and equipment	84	84
Exchange difference arising on the translation of assets on foreign currencies	-506	342
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	0	0
Impairment charge of property, plant and equipment	0	0
Interest income	0	0
Interest expense	-368	-349
Cash flows from operations before working capital changes	-609	191
Increase in inventories and work in progress	89	348
Increase in trade and other receivables	19	-498
(Decrease)/increase in trade and other payables	389	-1 394
Cash flows from operations	-112	-1 353
Tax refunded/income tax paid	-25	-26
Net cash flows from operating activities	-137	-1 380
		0
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	0	-199
Acquisition of subsidiaries, net cash outflow on acquisition	0	0
Loans granted	0	0
Interest received	0	0
Net cash flows used in investing activities	0	-199
		0
Cash flows from financing activities		
Proceeds from issue of share capital	0	0
Obtaining loans and borrowings	115	1 407
Repayments of borrowings	0	0
Suspense account (pending correction of Depreciation, Minority interest and share capital)	0	0
Net cash flows (used in)/from financing activities	115	1 407
Net decrease in cash and cash equivalents	-22	-171
Cash and cash equivalents:		0
At beginning of the year/period	73	244
At end of the year/period	51	73

3.4 CONDENSED CONSOLIDATED STATEMENT FOR CHANGES IN EQUITY


Condensed statement for changes in equity for the period ended 30.09.2020 year.

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests	
	€000	€000	€000	€000	€000	€000
Balance at 31 December 2018	53	111	- 4 837	6 441	-	1 768
Net profit the period	-	-	-	269	-	269
Issue of share capital	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	495	-	-	495
Balance at 31 December 2019	53	111	- 4 342	6 710	-	2 532
Net profit the period	-	-	-	156	-	156
Issue of share capital	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	506	-	-	506
Balance at 30 September 2020	53	111	- 4 848	6 866	-	2 182

4 APPLIED ACCOUNTANCY PRINCIPLES

These interim financial statements have been prepared based on IAS 34 Interim Financial Reporting. These interim financial statements include substantial information required for a complete set of IFRS financial statements. The Board of Director's commentary included, explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

There were changes in accounting policy in stand alone accountancy in the course of 2019.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. So Company's financial asset were measured by the transaction price.

Above implication has no effect Group financial statement during period 01.07.2020-30.09.2020

Judgments and estimates

In preparing these interim financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 consolidated financial statements as at and for the year ended 31 December 2019.

Significant accounting policies



Except as described herewith, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared by the consolidation of the historical financial statements of each of the Group's companies, on the basis of the accounting records of these companies.

Subsidiaries are all Groups' entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

Summary of significant accounting policies

The main principles of accounting policy, which have been adopted in the preparation of this audit consolidated financial information, are described below.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenues from services are recognized when such services are rendered and revenue can be reliably measured

Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized in other comprehensive income is recognized in other comprehensive income. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value-added tax ("VAT") except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is disclosed on the face of the consolidated statement of financial position.

Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalized directly attributable borrowing costs in accordance with early adopted International Financial Reporting Standard IAS 23 Borrowing Costs (Revised), any other costs directly attributable to bringing the asset



to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Group of fixed assets	years
Buildings	50
Plant and equipment	20
Motor vehicles	10
Other	10

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Financial instruments:

Financial assets

Initial recognition

Financial assets in the scope of IAS 39 are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention on the marketplace (regular way trades) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents as well as loan, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.



For the purpose of the combined statement cash flows, cash and cash equivalents consist of cash as defined above.

Loans, trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are carried at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. Gains and losses are recognized as income or expenses when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(4) Impairment

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk



characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is directly reduced for credit losses and the amount of the loss is recognized as other operating expenses in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting profit and loss. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

After initial recognition, trade and other payables with fixed maturity are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in net profit or loss when the liabilities are derecognized as well as through the amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.



Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the combined statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Issued capital

Share capital is recognized at the fair value of consideration received. Any excess over the nominal value of shares is taken to the share premium reserve. Cost incurred for issuing new share capital when the issuance results in a net increase or decrease to equity are charged directly to equity. Costs incurred for issuing new share capital when the issuance does not result in a change in equity are taken to profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Inventories

Originally inventories are stated at the lower of cost and net realizable value after making an allowance for any obsolete or slow-moving items. The cost of inventories includes the expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. At disposal cost of raw materials, spare parts and goods is determined based on the FIFO method, whereas cost of finished goods is determined based on the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less any estimated costs necessary to make the sale.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate



cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognized in profit and loss in those expense categories consistent with the function of the impaired asset, except for property, plant and equipment previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The Group does not have the assets, for which annual impairment testing is required.

Foreign currency transactions and translation to presentation currency

(1) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(2) Translation to presentation currency

At each reporting date, the assets and liabilities of each company are translated into the Group's presentation currency at the rate of exchange prevailing at the reporting date. The revenues and expenses for the year or, if shorter, the period of combined of subsidiary in the Group are translated at the exchange rate prevailing at the date of transaction or average exchange rate for the period if it approximates the rate as of the date of transaction. The exchange differences arising on the translation are recognized in other comprehensive income.

Contingent assets and liabilities

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably



estimated. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Subsequent events

Events, which took place after the reporting date and prior to the date of approval of financial reports to be issued which provide additional information regarding the financial statements of the Group, are reflected in financial statements.



5 THE BOARD OF DIRECTORS' COMMENT ON THE FACTORS AND EVENTS THAT AFFECT THE ACHIEVED FINANCIAL RESULTS.

5.1 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Commentary for the 3 Q 2020 profit and loss accounts in comparison to 3 Q 2019 as well as comparison for the consolidated statement for the same period.

Sales in 3 Q 2020 alone in comparison to 3 Q 2019 increased by 7% from EUR 4 064 thousand to EUR 4 348 thousand. Aggregated 3 quarters of 2020 show increase by 34% from EUR 12 879 thousand to EUR 17 305 thousand. However substantial depreciation of EUR/UAH effected sales in 3 Q 2020. In EUR terms sales for 1-3 quarters of 2020 were less than for 1-2 quarters 2020. Basic calculation is generated in UAH and afterwards translated in EUR. So if UAH depreciates income is recalculated by the current FX rate and transferred into EUR. Cost of sales was nearly the same in 3 Q 2020 as 3 Q 2019. Gross profit in 3 Q 2020 declined by 2,7% on y/y basis. Profit for the period for 3Q 2020 alone was EUR 47 thousand and declined by 38% on the contrary profit for the period for aggregated 3 Q 2020 was 57 % higher on the y/y basis. Net profit for the period for 3Q 2020 alone was 40% lower on the y/y basis, aggregated net profit for the period for 3Q 2020 was 76% higher on the y/y basis and reached EUR 156 thousand.

Currency translation differences played negative role and in 3Q 2020 were EUR minus 282 thousand, aggregated 3Q 2020 it was EUR minus 506 thousand.

Gross profit margin ratio in 3Q 2020 alone was 21% in comparative period was 23,5%. In aggregate period 3Q 2020 it was 25% in comparison to comparative period it was 20,6%. Net profit margin in 3Q 2020 alone was 0,85% in comparative period it was 1,53%. In aggregate period 3Q 2020 it was 0,9% in comparison to comparative period it was 0,7%.

Financial position for the 3Q 2020 reflects; total assets decreased by 6,7% in comparison to 3Q 2019. Non-current assets decreased by 15,7% to EUR 2 621 thousand. Current assets decreased by 2,1%. Equity decreased by 28% to EUR 2 182 thousand mainly due to exchange differences which increased for 19% to EUR minus 4 848 thousand. Trade and other payables increased by 14,7 % to EUR 3 035 thousand.

5.2 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Net cash flow from operating activities before working capital changes for the period 3Q 2020 was negative and reached EUR minus 137 thousand in comparison to 3Q 2019 minus EUR 1380 thousand. Final positive net cashflow was due to increase in trade and other payables for EUR 389 thousand and obtaining loans and borrowing for the period for EUR 115 thousand. Aggregated net cash flow at the end of the period EUR 51 thousand and was 30% lower versus comparative period.

5.3 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT FOR CHANGE IN EQUITY

Equity balance in the 3Q2020 was EUR 3 309 thousand and it was lower by 13% in comparison to the 3Q 2019 due to exchange differences.

6 REPORT ON THE COMPANY'S ACTIVITIES IN 3 Q 2020



6.1 COMPANY'S ACTIVITY

Epidemic covid-19 circumstances have not effected the Company. Company products, which meets consumer's basic need and enjoys stable demand. Weather conditions in 2020 disrupted good crop in many kinds of cereals. This marketing year (MY) its anticipated to have crop in Ukraine around 10% lower than in 2019 MY. However the Company solves effectively supply of raw material. Partially crop was imported from abroad. The Company expands sales on international markets and constantly enquires new clients worldwide. Deliveries to supermarkets were executed without interruptions. The Company continued regular sales in bulk and to the retail networks. Bulk sales are executed on international markets.

Main change in the Company in 3Q 2020 was increase in volumes, particularly peas, and depreciation of UAH toward main currencies what is described in section below.

6.2 EXCHANGE RATES

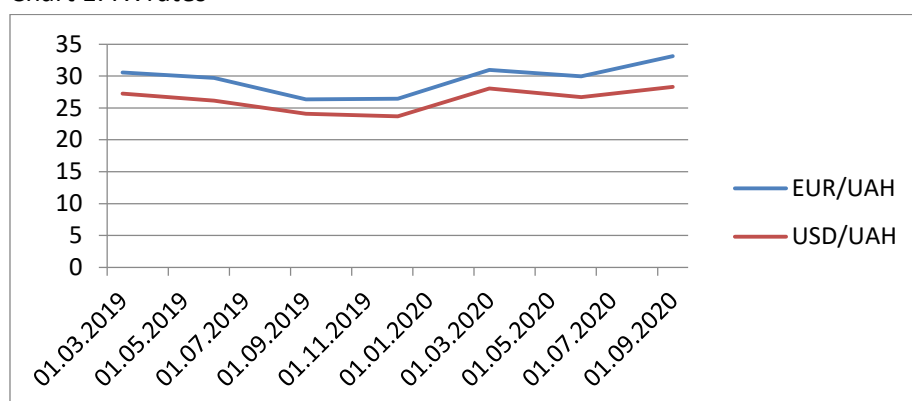
Since the company has substantial export, FX has a crucial influence on the profit and loss accounts. Up to 2 Q 2020 UAH exchange rate was rather stable but in 3 Q 2020 it lost substantially to both main currencies. On the year to year basis UAH depreciated toward EUR and USD 20,5 % and 14,9 % respectively. So it effected income on export and cost of imports of the company.

Table 1: Central Bank exchange rates

	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	Δ % 30.09.2019/30.09.2020
EUR/UAH	30,56	29,7302	26,3345	26,422	30,9617	29,95	33,13	20,51%
USD/UAH	27,24	26,1663	24,0828	23,6862	28,0615	26,6922	28,3	14,90%

Source: the Issuer

Chart 1: FX rates



Source: the Issuer

6.3 PRODUCTION ACTIVITY

In 3 Q 2020 the Company increased production by 41 % to 10 397 tones. The biggest increase was in peas 35% to 5 126 t, and buckwheat by 35% to 2 902 t. Third item in terms of volume was bulgur, production increased by 18% to 1 738 t. The Company noticed increase on local market as well as internationally. Breakdown of 3Q 2020 production is reflected in the tables below.

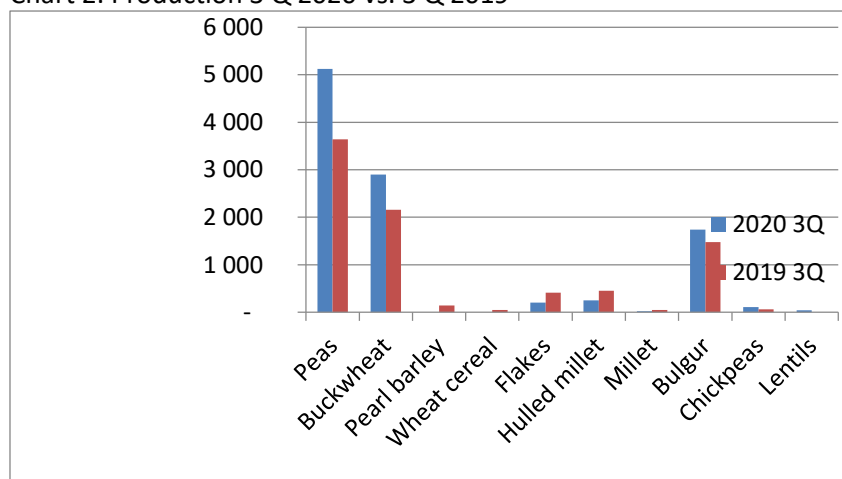


Table 2: Production in tons Production 3 Q 2020 vs. 3Q 2019

Production, tonnes	2020 3Q	2019 3Q	Δ 3Q20/3Q19
Peas	5 126	3 638	41%
Buckwheat	2 902	2 157	35%
Pearl barley	-	141	-100%
Wheat cereal	-	46	-100%
Flakes	202	412	-51%
Hulled millet	249	450	-45%
Millet	24	47	-49%
Bulgur	1 738	1 474	18%
Chickpeas	111	65	71%
Lentils	45	-	0%
Total	10 397	8 430	23%

Source: the Issuer

Chart 2: Production 3 Q 2020 vs. 3 Q 2019



Source: the Issuer

Aggregated breakdown of production for 1Q-3Q 2020 in comparison to 1Q-3Q 2019 is presented below. Peas production constitutes nearly 50% of the whole production with increase of 122%. Second item is buckwheat with increase of 39% and production of 6 980 t. Third item is bulgur with production of 4 580 t. Total production increased by 51% to 33 500 t

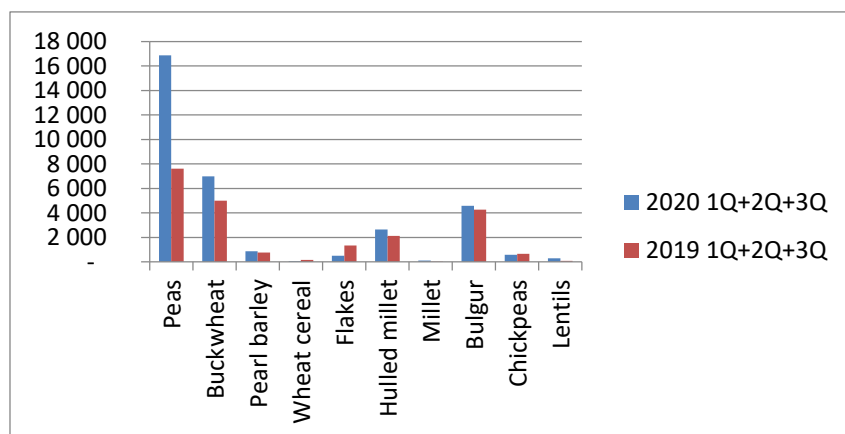
Table 3: Production in tons Production 1Q-3Q 2020 vs. 1Q-3Q 2019



Production, tonnes	2020 1Q+2Q+3Q	2019 1Q+2Q+3Q	Δ 1-3Q20/1-3Q19
Peas	16 875	7 618	122%
Buckwheat	6 980	5 008	39%
Pearl barley	863	774	11%
Wheat cereal	56	158	-65%
Flakes	498	1 351	-63%
Hulled millet	2 643	2 140	24%
Millet	119	47	153%
Bulgur	4 580	4 263	7%
Chickpeas	597	671	-11%
Lentils	289	97	198%
Total	33 500	22 127	51%

Source: the Issuer

Chart 3: Production 1Q-3Q 2020 vs. 1Q-3Q 2019



Source: the Issuer

6.4 SUPPLY OF RAW MATERIAL, DISTRIBUTION AND TRADE ACTIVITY

Supply of grain and processing into cereal is held in Kharkov region and is executed without interruption. Supply of raw material for further processing in 3 Q 2020 was executed mainly from Ukraine, except exotic products like rice.

6.5 EXPORT AND IMPORT

Export in 3Q 2020 increased in comparison to 3Q 2019 by 57% in EUR but in UAH it increased by 80% due to UAH depreciation. But the most increased was noticed in import in 3 Q 2020 by 221% in EUR terms to EUR 1 316 thousand. In 1Q- 3Q 2020 export increased by 50% to EUR 10 180 thousand in comparison to 1Q- 3Q 2019. However import increase in the same period in EUR for 327% to 2 899 thousand.

Export constitutes 58,8% of all sales and import 16,7% of sales for 1Q-3Q2020.



Table 4: Export and import 3 Q 2020 vs. 3 Q 2019 in EUR and UAH terms

items	2020 3Q		2019 3Q		Δ 3Q20/3Q19	
	UAH	EUR	UAH	EUR	UAH	EUR
Cereal import	42 454 095	1 316 696	11 516 655	409 832	269%	221%
Cereal export	87 542 129	2 715 083	48 518 090	1 726 564	80%	57%

Source: the Issuer

Table 5: Export and import 1Q-3Q 2020 vs. 1Q-3Q 2019 in EUR and UAH terms

items	2020 1Q+2Q+3Q		2019 1Q+2Q+3Q		Δ 1-3Q20/1-3Q19	
	UAH	EUR	UAH	EUR	UAH	EUR
Cereal import	87 914 613	2 899 747	19 691 418	678 663	346%	327%
Cereal export	300 777 879	10 180 429	202 040 611	6 772 370	49%	50%

Source: the Issuer

7 THE MANAGEMENT BOARD'S STANDPOINT AS TO THE FORECASTS

The Board of Directors did not announce any projections.

8 EXECUTION OF THE INVESTMENT PIPELINE

In the 3Q 2020 the Company focused on adjustment products to the current market needs. Investment are executed very cautiously. The Company continued modernization of production lines. In the production bulgur constitutes considerable portion.

9 INITIATIVES TO DEVELOP ITS ACTIVITIES AIMED TO IMPLEMENT INNOVATIVE SOLUTIONS AT THE ENTERPRISE DURING THE PERIOD OF THE REPORT –INFORMATION ON SUCH ACTIVITIES

Cereal Planet Group has not undertaken any initiatives related to the innovation solutions in the period covered by this Report.

10 COMPANY STRUCTURE, SUBJECT TO CONSOLIDATION

Table 6: CEREAL PLANET GROUP CONSISTS OF 2 COMPANIES

Name	Address	Profile	Shareholders
Cereal Planet PLC	Boumpoulinas, 11 3rd Floor, 1060 NICOSIA, CYPRUS	Holding company In Cyprus	Holding company, 5 persons being majority shareholders
Olimp LLC	61124 Kharkov, Kashtanowa 10 str	Trading and distribution company	100% belongs to Cereal Planet LLC

Source: the Issuer

11 SHAREHOLDERS STRUCTURE

The Shareholding structure of the Company, indicating shareholders at the date of report as of 30.09.2020.

Table 7: SHAREHOLDERS STRUCTURE



Shareholder	Number of shares	Number of votes at the general meeting	Percentage in share capital	Percentage in the total number of votes at the general meeting
Vlasenko Anatoli	597 002	597 002	33.54%	33.53%
Dubruskin Igor	97 830	97 830	5.50%	5.50%
Vlasenko Oleksander	532 723	532 723	29.93%	29.93%
Slavgorodskyi Oleksander	532 723	532 723	29.93%	29.93%
Other shareholders	19 722	19 722	2.25%	1,11%
Total	1 780 000	1 780 000	100%	100%

Source: the Issuer

12 NUMBER OF EMPLOYEES AT THE END OF 3 Q 2020

Cereal Planet PLC itself does not employ personnel. Employees are located in the companies of CEREAL PLANET GROUP.

Table 8: NUMBER OF EMPLOYEES

Number of employees	3Q 2020	3Q 2019
Production	130	124
Non production employees	145	148
Total	275	272

Source: the Issuer

Antoliy Vlasenko,
Chairman of the Board of Directors

