

GRADUS AD
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2019

1. Status and object of business activity

Gradus AD, Stara Zagora, was established on 28 November 2017.

Management address: Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse
BULSTAT: 204882907

1.1. Ownership and management

Gradus AD is a public company in accordance with the Public Offering of Securities Act.

Shareholders of the Company as at 30 September 2019:

- Luka Angelov Angelov – 40.72% of the capital,
- Ivan Angelov Angelov – 20.36% of the capital
- Angel Iwanow Angelov – 20.93% of the capital
- Legal entities – 15.70% of the capital
- Individual shareholders – 2.29% of the capital.

Management bodies of the Company

- General Meeting of Shareholders
- Board of Directors

As of September 30th 2019 the Board of Directors is represented by 3 members:

Luka Angelov Angelov – Chairman of the Board of Directors Gradus AD

Ivan Angelov Angelov – Executive Director and Member of the Board of Directors Gradus AD

Georgi Alexandrov Babev – Member of the Board of Directors Gradus AD

2. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared based on the principles of going concern, current accrual and historical cost, except for items of property, plant and equipment that are measured using the revaluation model of IAS 16 *Property, Plant and Equipment* and investment property that is measured at fair value in accordance with IAS 40 *Investment Property*. The annual consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee (IFRIC) approved by the International Accounting Standards Board (IASB), and International Accounting Standards (IAS) and Interpretations of the Standing Interpretations Committee (SIC), approved by the IAS Committee (IASC), effective 1 January 2018, as endorsed by the Commission of the European Union.

Functional currency and currency of presentation

Pursuant to the requirements of the Bulgarian legislation, the Group keeps its accounting books and records and prepares its consolidated financial statements in the national currency of the Republic of Bulgaria – the Bulgarian lev. Since 1 January 1999 the exchange rate of the Bulgarian lev has been pegged to the exchange rate of the Euro in a ratio of EUR 1 = BGN 1.95583.

These consolidated financial statements have been prepared in thousands of Bulgarian leva (BGN'000).

3. Significant accounting policies

(a) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the closing exchange rate prevailing on the date of preparation of the statement of financial position. Foreign exchange gain or loss originating from monetary items is the difference between the amortised cost in the functional currency at the beginning of the period adjusted by the effective interest and the payments over the period and the amortised cost in foreign currency translated at the exchange rate at end of the period.

Non-monetary assets and liabilities that are measured in terms of fair value in a foreign currency are translated using the exchange rate at the date of measurement of the fair value. Non-monetary assets and liabilities that are measured

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in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Any foreign exchange differences, which occur upon translation into the functional currency, are reported as profits and losses, except for differences arising on the translation into the functional currency of available-for-sale equity instruments or eligible cash flow hedges that are recognised in other comprehensive income (if any).

(b) Property, plant and equipment

(i) Recognition and measurement

Initial recognition

Items of property, plant and equipment are measured initially at cost, which comprises all directly attributable costs of acquisition of the asset.

The cost comprises the asset's purchase price, including any import duties and non-refundable purchase taxes, and any costs directly incurred in bringing the asset to its location and working condition necessary to prepare the asset for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labour and the appropriate proportion of indirect production overheads; costs directly incurred in bringing the asset to its location and working condition necessary to prepare the asset for its intended use; initial estimate of the costs of dismantling and removing the assets, and restoring the site on which they are located, and capitalised interest expenses. Software acquired without which it is impossible to operate equipment purchased is capitalised as part of the equipment.

When items of property, plant and equipment contain components with different useful lives, they are reported separately.

Subsequent recognition

Subsequent to initial acquisition, fixed tangible assets are carried under the revaluation model of IAS 16.

The fair value of fixed tangible assets is determined on the basis of market evidence presented in a report prepared by an approved licensed valuer. Revaluation is scheduled to take place every 3 years. When the fair value changes significantly over a shorter period of time, the revaluation may be made more often to ensure that their carrying amount at the relevant reporting date does not materially differ from their fair value.

Gains and losses on derecognition of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recognised net in other income / other expenses through profit or loss. When the revalued assets are sold or derecognised on other grounds, the amounts included in the revaluation reserve are reclassified to retained earnings or accumulated losses.

(ii) Subsequent costs

Subsequent costs of replacing part of the property, plant and equipment are capitalised to the carrying amount of the relevant asset only to the extent that it is probable that economic benefits originating from that part of the asset will flow to the company and the expenditure can be measured reliably. Current repairs and maintenance are recognised as an expense when incurred.

(iii) Depreciation

An item of property, plant and equipment is depreciated from the date on which it is installed and ready for use, or for the self-constructed assets, from the date on which the asset is completed and ready for use. Depreciation charges are recognised up to the amount of the asset's original value minus the estimated residual value of the asset based on the straight-line method over the estimated useful life of each component of property, plant and equipment. Depreciation charges are recognised through profit or loss unless they are included in the carrying amount of another asset. Assets acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term, unless it is virtually certain that the ownership of the asset will be acquired by the end of the lease term. Land is not depreciated.

Depreciation rates are defined as follows:

	2019	2018
	Annual depreciation rate , %	Annual depreciation rate, %
Buildings and facilities	1.5	1.5
Plant and equipment	8	8
Motor vehicles	10	10
Hardware	33.3	33.3
Fixtures and fittings	10	10

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Other fixed assets	4 – 10	4 – 10
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3. Significant accounting policies (continued)

The methods of depreciation, useful lives and assets residual values (if not immaterial) are reviewed at each date of preparation of financial statements.

(c) Intangible assets

(i) Goodwill

Goodwill is the excess of the acquisition cost (consideration paid) over the fair value of the Group's share of the net identifiable assets of the acquiree at the acquisition date (business combination).

Goodwill arising on the acquisition of a subsidiary is presented in the consolidated statement of financial position in the Intangible Assets group.

In the consolidated financial statements, goodwill is measured initially at acquisition cost (cost) and subsequently, at acquisition cost less any accumulated impairment losses. Goodwill is not amortised.

(ii) Intangible assets, other than goodwill

Intangible assets consist of trademarks, licenses, software, and other intangible assets.

Intangible assets acquired by subsidiaries that have a limited useful life are carried at cost less accumulated amortisation and any impairment losses.

The carrying amount of intangible assets is tested for impairment when events or changes in circumstances indicate that the carrying amount could exceed their recoverable amount. If this is the case, the impairment is included as amortisation costs in the consolidated statement of comprehensive income (through profit or loss for the year). Intangible assets are derecognised from the consolidated statement of financial position when they are permanently retired and no future economic benefit is expected from their disposal, or when they are sold. Gains or losses on disposal of individual assets in the Intangible Assets group are determined by comparing disposal proceeds and the asset's carrying amount at the date of sale. They are stated net to Other operating income / (losses), net on the face of the consolidated statement of comprehensive income (through profit or loss for the year).

(iii) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefit from the specific asset to which they relate. Any other costs, including costs of internally generated goodwill and trademarks, are recognised as an expense when incurred.

(iv) Amortisation

Intangible assets, other than goodwill and trademarks, are amortised on a straight-line basis in profits and losses over the estimated useful economic life from the date on which they are ready for use.

	2019	2018
	Annual amortisation rate, %	Annual amortisation rate, %
Intellectual property rights	15	15
Industrial property rights	15	15
Other intangible assets	6.67 – 33.33	6.67 – 33.33

The methods of amortisation, useful lives and assets residual values are reviewed at each date of preparation of financial statements.

(d) Investments

The long-term investments representing investments in financial instruments are presented in the financial statements at acquisition price (cost), which is:

- the fair value of the consideration paid for the acquisition of shares and / or
- the value of the paid-up monetary shareholding and / or

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- the value of the shares contributed in-kind against the shares issued, which value is determined by appraisers appointed by the court, incl. the direct costs of acquiring the investment, less any impairment losses.

3. Significant accounting policies (continued)

Investments in financial instruments held by the Group are subject to impairment testing. When there are conditions and indications of impairment, it is calculated as the difference between the investment's carrying amount and its recoverable amount and is recognised in the statement of comprehensive income (through profit or loss for the year). In case of subsequent reversal of impairment, it is recognised in the statement of comprehensive income (through profit or loss for the year).

These investments are not listed on the stock exchange. Therefore, it is not possible to ensure quotations for market prices on an active market that to give a sufficiently reliable fair value of these shares.

Investments are derecognised when the entity transfers the rights originating from the asset to other persons when the legal grounds for that arise and thus control on the economic benefits from the respective specific type of investment is lost.

(e) Investment property

Investment property is held to earn rentals and/or for capital appreciation. Initially, investment property is recognised at acquisition cost plus any costs related to its acquisition. Subsequent to initial recognition, investment property is measured under the fair value model in accordance with IAS 40 Investment Property. An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the disposal of investment property is recognised through profit or loss in the current period. They are stated net to the Other operating income / (loss), net in the consolidated statement of comprehensive income (through profit or loss for the year). Transfers from and to Investment property are made when there is a change in the functional purpose and use of a property. In the case of a transfer from Investment property to Business-occupied property, in its new group the asset is carried at its deemed historical cost that is its fair value at the date of the transfer. Conversely, when there is a transfer to Investment property from Business-occupied property, the asset is measured at its fair value at the date of the transfer and the difference to its carrying amount is presented as a component of the consolidated statement of comprehensive income.

(f) Leased assets

Lease contracts that transfer all significant risks and rewards of ownership are classified as finance leases. Upon initial recognition, leased assets are measured at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for according to the accounting policy applicable to the asset.

Operating leases represent all other types of leases other than financial leases. They are not recognised in the consolidated statement of financial position of the Group.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories - materials and work in progress - is reported on a weighted average cost basis and comprises costs of acquiring the inventories, costs of production or processing, and any other costs incurred in bringing the inventories to their current location and condition. In the case of manufactured products, the cost also includes costs of labour, social security expenses, depreciation / amortisation expenses, and other overheads allocated on the basis of normal production capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

An entity recognises a biological asset or agricultural produce if and only if:

- a.) the entity controls the asset as a result of past events;
- b.) it is probable that the future economic benefits associated with the asset will flow to the entity; and
- c.) the asset's fair value or cost can be measured reliably.

Upon initial recognition and at the date of each balance sheet, a biological asset is measured at fair value, less costs to sell.

3. Significant accounting policies (continued)

(h) Financial instruments

A financial instrument is each contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets

Initial recognition, classification and measurement

On initial recognition, financial assets are classified in three groups according to which they are subsequently measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss.

The Company initially measures financial assets at fair value and, in the case of financial assets which are not carried at fair value through profit or loss, plus the direct transaction costs. Trade receivables that do not contain a significant financing component are an exception - they are measured on the basis of the transaction price determined in accordance with IFRS 15.

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

3. Significant accounting policies(continued)

(h) Financial instruments (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (debt and equity instruments).

Classification groups

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held and used within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method. They are subject to impairment. Gains and losses are recognised in the statement of comprehensive income.

The Company's financial assets at amortised cost include cash and cash equivalents, trade receivables, loans to related parties and loans to third parties.

Financial assets at fair value through other comprehensive income (debt or equity instruments)

The Group has no such assets.

Financial assets at fair value through profit or loss

The Group has no such assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company 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 Company could be required to repay.

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

Expected credit loss on financial assets

The Company recognises an allowance (impairment provision) for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For the purposes of calculation of expected credit losses on loans to related and third parties, and cash and cash equivalents with banks, the Company has adopted the general approach to impairment as set by IFRS 9. According to this approach, the Company applies a three-stage impairment model based on changes compared to the initial recognition of the financial instrument's credit quality.

Expected credit losses are recognised in two stages.

a. A financial asset that has not been credit impaired at its initial origination/acquisition is classified in phase 1. Since its initial recognition, its credit risk and qualities are subject to continuous monitoring and analyses. The expected credit losses on financial assets classified in Phase 1 are determined on the basis of expected credit losses resulting from possible default events which could occur within the next 12 months of the life of the asset concerned (12-month expected credit losses for the instrument).

b. In cases where, after initial recognition of a financial asset, its credit risk increases significantly and as a result its qualities deteriorate, it is classified in phase 2.

Expected credit losses on financial assets classified in phase 2 are determined over the remaining life (term) of the relevant asset (lifetime expected credit losses for the instrument).

The company's management has developed a policy and a set of criteria for analysis, identification and evaluation of the occurrence of a status of a "significant increase in credit risk".

In cases where the credit risk of a financial asset increases to a level indicating that an event of default has occurred, the financial asset is considered to be impaired and it is classified in phase 3. At this stage, losses incurred by the relevant asset for its entire remaining lifetime (term) are established and calculated.

The Company adjusts expected credit losses based on historical data using forecast macroeconomic indicators that are found to be correlated and are expected to affect the amount of the expected credit losses in the future.

In calculating expected credit losses on trade receivables, assets under contracts with customers and lease receivables, the Company applies a simplified approach to calculate expected credit losses and does not follow subsequent changes in their credit risk. According to this approach, the Company recognises an allowance (impairment provision) based on the expected credit loss over the entire period of the receivables at each reporting date.

Financial liabilities

Initial recognition, classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

Classification groups

Financial liabilities at fair value through profit or loss

The Group has no such liabilities.

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

Loans and other borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured by the Company at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the relevant financial liability is derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition, and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of comprehensive income (in the profit or loss for the year).

Derecognition

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When 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. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

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

This requirement derives from the idea of the real business nature of the company's relationship with a counterparty that, in the simultaneous existence of these two requirements, the expected actual cash flow and benefits from these estimates to the enterprise is the net flow, i.e. the net amount reflects the actual right or liability of the Company originating from these financial instruments – in any case, its right to receive or pay only the net amount. If both conditions are not met simultaneously, it is assumed that the rights and obligations of the Company in respect of these counter-balances (financial instruments) are not covered only and solely by the receipt or payment of the net amount.

The netting policy is also linked to the assessment, presentation and management of the actual credit and liquidity risks associated with these counter-balances.

Criteria applicable to establishing *the existence of a current and legally enforceable netting right* are as follows:

- the right should not depend on a future event, i.e. it shall be enforceable not only if a particular future event occurs;
- it should be possible to exercise the right and to defend it by employing legal means in the course of (taken cumulatively):
 - the ordinary activity,
 - in case of default/delay, and
 - in case of bankruptcy and insolvency.

The applicability of criteria shall be assessed against the requirements of Bulgarian legislation and the established arrangements between the parties. The condition for *the existence of a current and legally enforceable netting right* is always and mandatorily assessed together with a second condition: *for the existence of obligatory intention to settle these balances on a net basis*.

Financial assets

The Company classifies its financial assets in the category of loans and receivables, including cash and cash equivalents. The classification depends on the substance and objectives (purpose) of the Company's financial assets at the date of their initial recognition.

Financial assets are derecognised from the Company's statement of financial position when the rights to receive the cash flows from these assets have expired or have been transferred, and the Company has transferred significantly all risks and rewards from the ownership over the asset to another entity (person).

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

At each reporting date the Group assesses whether objective evidence exists that a financial asset not carried at fair value through profit or loss should be impaired. A financial asset is impaired only if there are objective evidence for impairment as a result of one or more events occurring after the initial recognition of the asset and this loss event has had an impact on the estimated future cash flows from this asset and can be assessed reliably.

Objective evidence of impairment of a financial asset may include default or delinquency of the debtor, restructuring of the debt to the Group under conditions which the Group would not have considered otherwise, indications that a debtor will enter into insolvency proceedings, adverse changes in the payment status of a debtor, business conditions that result in defaults or the disappearance of an active market for a particular security.

The Group assesses whether evidence of impairment of loans and receivables exists for a specific asset or collectively. All receivables that are individually significant are checked for specific impairment. All individually significant loans and receivables, for which there is no specific impairment, are then assessed collectively for impairment, which has occurred but have not yet been identified. Loans and receivables that are not individually significant are included in a collective assessment of impairment, grouped by similar risk characteristics.

When assessing collectively for impairment, the Group uses historical trends of the probability of default, recovery time and the amount of losses incurred, adjusted by the management's judgement as to whether the current economic and credit conditions are such that actual losses are likely to be greater or lower than those assumed on the basis of historical trends.

The amount of the impairment loss on a financial asset carried at amortised cost is measured as the difference between the book value and the present value of estimated future cash flows discounted at the original effective interest rate. The impairment loss is recognised through profit or loss and reported in an allowance account reducing the amount of loans and receivables. When an event, which has occurred after an impairment has been recognised, reduces the impairment loss, this reduction is reversed through profit or loss.

Financial liabilities

Financial liabilities consist of loans and payables to suppliers and other contractors. Initially, they are recognised in the statement of financial position at their fair value net of direct transaction costs, and subsequently – at amortised cost using the effective interest rate method.

(i) Trade and other receivables

Trade receivables are an unconditional right of an entity to receive remuneration under contracts with customers and other contractors.

Initial recognition

Initially, trade receivables are presented and measured at fair value based on the transaction price, which value is usually equal to the invoice amount, unless they contain a significant financing component that is not charged additionally. If this is the case, they are recognised at their present value calculated at a discount rate equal to the interest rate that is considered inherent to the debtor.

Subsequent measurement

The Company holds trade receivables solely for the purpose of collecting contractual cash flows and measures them subsequently at amortised cost less the accumulated impairment for expected credit losses.

Impairment

Accounting policy applicable from 1 January 2018

The Company applies the lifetime expected credit losses model for its trade receivables using the simplified approach required by IFRS 9. The expected credit loss from receivables is stated as Impairment of assets in the statement of comprehensive income.

3. Significant accounting policies (continued)

(j) Cash and cash equivalents

Cash comprises cash on hand and cash in current accounts, and cash equivalents comprises deposits with banks with an original maturity of three months or less, and deposits with longer maturity that are freely disposable by the company in accordance with the arrangement with bankers during the term of the deposit.

Subsequent measurement

Cash and cash equivalents in banks are measured subsequently at amortised cost, less any accumulated impairment for expected credit losses.

For the purposes of the preparation of the cash-flow statement:

- cash equivalents from customers and cash payments to suppliers are presented gross, VAT inclusive (20%);
- interest received on current accounts are presented as operating activity;
- VAT paid under purchases of long-term assets is specified on the “payments to suppliers” line to the cash-flows from operating activity, as long as it is included into and recovered together with the operating flows of the company for the respective period (month);
- proceeds from and payments from and on overdrafts are reported net by the company in cash flows from financing activity.

(k) Interest-bearing loans and other financial resources provided

Loans and other financial resources are presented initially at an acquisition price which is considered fair value of consideration given in a transaction, net of direct costs associated with these loans and resources. Subsequent to initial recognition, interest-bearing loans and borrowings, and other resources given, are measured subsequently and presented in the statement of financial position at amortised cost determined by applying the effective interest rate method. The amortised cost has been calculated by taking into account of all types of charges, commissions and other amounts relating to these loans.

Gains and losses are recognized in the statement of comprehensive income as finance income or finance costs during the amortisation period.

Interest income is presented depending on the phase in which the relevant loan or other receivable on financial resource granted, as the case may be, has been classified using the effective interest rate method.

(l) Trade and other payables

Trade and other current liabilities in the statement of financial position are stated at cost of acquisition, which is deemed to be the fair value of the transaction and will be paid in future against the goods and services received. In cases of deferred payments beyond the usual credit term on which no additional payment of interest is envisaged or interest is quite different from the usual market interest rate, the liabilities are initially assessed at their fair value at the discount rate inherent to the company, and subsequently, at amortised cost.

3. Significant accounting policies (continued)

(m) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions to a separate entity and has no legal or constructive obligations to pay further amounts. The Government of Bulgaria is responsible for providing pensions in Bulgaria under defined contribution plan. The Group's contributions to the defined contribution pension plan are recognised as incurred through profit or loss. Contributions to a defined contribution plan past due for more than 12 months following the period of provision of services are discounted to their present value.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The Group has an obligation to pay termination benefits to those employees who retire in accordance with Art. 222, § 3 of the Bulgarian Labour Code. According to these Labour Code provisions, when a labour contract of an employee, who has acquired a pension right, is ended, the employer is obliged to pay him or her compensations amounting to two months' gross salaries. Where the employee has been with the same employer for the past 10 years or more, this employee is entitled to a compensation amounting to six months' gross salaries. At the date of these financial statements, management estimated the potential expenses for all employees using the projected credit unit method.

(iii) Termination benefits

Termination benefits are recognised as an expense where the Group has clearly committed, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made a formal offer of voluntary redundancy, and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, they are discounted to their present value.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are accounted for as an expenditure, as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the liability can be estimated reliably. The Group recognises as a liability the undiscounted amount of the estimated costs related to annual leave expected to be paid in exchange for the employee's service for the past reporting period.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive liability as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the liability. Provisions are determined by discounting the estimated future cash flows with a pre-tax interest rate that reflects the time value of money and the risks specific to the liability. Interest accrued on the discounted value is recognised as finance costs.

Onerous contracts

Provision for onerous contracts is recognised when the economic benefits expected to be received by the Group under it are lower than the unavoidable costs of meeting the obligations under the contract. This provision is measured at the present value of the lower of the two values: the costs of exiting from the contract and the estimated net costs of continuing it. Prior to the establishment of the provision, the Group recognises impairment losses on assets related to this contract.

3. Significant accounting policies (continued)

(o) Revenue

Recognition of revenue from contracts with customers

The Company's usual revenue originates from the following activities: sale of fodder, sale of grain, revenue from transport services, rental income.

The Company's revenue is recognised when the control over the goods and/or services promised in the contract with the customer is transferred to the customer. The control is transferred to the customer upon satisfaction of the performance obligations under the contract by transferring the promised goods and/or providing the promised services.

Measurement of a contract with a customer

There is a contract with a customer if:

- the contract has been approved by the parties;
- each party's rights can be identified;
- the payment terms can be identified;
- the contract has a commercial substance;
- the collection of the consideration is probable after the goods and services have been transferred.

If a contract does not yet meet any of the above criteria, the entity will continue to re-assess the contract in every reporting period. The consideration received under such a contract is recognized as a liability (a contract liability) in the statement of financial position until all criteria for recognition of a contract with a customer are satisfied and the Company performs its obligations. In the initial assessment of its contracts with customers, the company makes further analysis and judgement whether two or more contracts must be considered as combination and be accounted for as one. Each promise to transfer goods and/or services that are identifiable, or a series of identifiable goods and services that are identical in substance, is reported as a single performance obligation. The Company recognises income for each individual performance obligation at the level of an individual contract with a customer by analysing the type, duration and terms and conditions of each specific contract.

Measurement of revenue from contracts with customers

Revenues is measured on the basis of the transaction price determined for each contract. The transaction price is the amount of consideration to which the company expects to be entitled, excluding amounts collected on behalf of third parties. When determining the transaction price, the company takes into account the terms and conditions of the contract and customary business practices, including the impact of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the customer. In the case of contracts with more than one performance obligation, the transaction price is allocated to each performance obligation based on the individual selling prices of each good or service.

The change in the contract scope and price is reported as a separate contract or as part of an existing contract, depending on whether the change relates to adding identifiable goods and services as also on their price.

Performance obligations under contracts with customers

Revenue generated by the Company originates mainly from the sale of goods. In general, the Company has concluded that it acts as a principal in its arrangements with customers as it typically controls the goods and services before transferring them to the customer.

Revenue from sale of goods

Revenue from sale of goods originates mainly from the sale of grain. Upon its sale, the control of the good is transferred to the customer at a particular *point in time*, which is usually when the good is delivered to a client's site.

3. Significant accounting policies(continued)

(o) Revenue (continued)

Revenue from sale of services

Services provided by the Company consist of transport services. The control of the services is transferred at the time of their provision. Sales revenue is measured over time by measuring the stage of performance of the company's Liabilities (a stage of completion). To measure the stage of completion, the Company applies the straight-line method. The assessments of income, expenses, and stage of completion are re-reviewed if circumstances change. Each subsequent increase or decrease in estimated income and expenses is recognized through profit or loss in the period in which the circumstances having necessitated the re-review become known to management.

Transaction price and terms of payment

The transaction price normally includes a fixed selling price, according to a general or customer price list, and different forms of variable consideration. In determining the price of the transaction, amounts due to the customer, non-cash consideration and the existence of a significant financial component are also taken into account.

Variable consideration

The variable consideration is included in the transaction price only to the extent that it is very likely that there will be no substantial adjustment in the amount of revenue recognised cumulatively. The forms of variable consideration include: price discounts, rebates, bonus turnover, logistics bonus, marketing bonus. The discounts, rebates and bonuses granted are compensated against the amounts due by the customer.

Significant financial component

The company has conducted an analysis and has determined that the length of time between the time the customer pays for the promised goods and services and the time of transfer of control of these goods and services is within twelve months, and the agreed consideration does not have a significant financing component. The advance payments collected by the customer are presented in the statement of financial position as liabilities under contracts with customers.

Revenue from services

Revenue from provision of services is recognised pro rata by reference to the stage of completion at the reporting date. The stage of completion is measured usually by analysing the work accomplished.

(p) Lease payments

Lease payments under an operating lease are recognised through profit or loss on a straight-line basis over the lease term. Any additional payments are recognised as an integral part of total lease expenses over the contract term.

Minimum lease payments are apportioned between finance charges and reduction of the lease liability. Finance charges are allocated to each period over the lease term to achieve a constant rate of interest on the remaining balance of the liability.

3. Significant accounting policies(continued)

(p) Lease payments (continued)

(i) Determination of whether an arrangement contains a lease

At the commencement of an agreement, the Company determines whether it is or contains a lease. An asset is a subject to lease if the performance of the arrangement depends on the use of this particular asset. An arrangement conveys such a right to use an asset, if the arrangement conveys to the Company the right to control the use of the underlying asset.

Upon the occurrence or after a subsequent valuation of an agreement that contains a lease, the Company apportions the payments and any other requirements under the agreement between leases and other elements based on their relative fair values. If the Company concludes that it is impossible for a particular finance lease to allocate the payments reliably, the asset and the liability are recognised in an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced when the relevant payments are made and a finance cost is recognised by using the differential interest rate of the Company.

(q) Finance income and finance costs

Finance income is reported in the statement of comprehensive income (in the profit or loss for the year), when occurs, and comprises of: interest income on loans granted and term bank deposits, interest income on receivables, and net foreign exchange gains.

Finance income is presented separately from finance costs on the face of the statement of comprehensive income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets in phases 1 and 2. Interest income on financial assets in phase 3 is calculated by applying the effective interest rate to their amortised cost (i.e. the gross carrying amount adjusted by expected credit losses).

Foreign currency gains and losses are reported net as either finance income or finance costs depending on whether the foreign currency differences represent a net gain or a net loss.

Finance costs include interest expenses on loans and expenses incurred as a result of an increase in the obligation due to approaching with one period the date set for implementation of provisions.

Borrowing costs that cannot be attributed directly to the acquisition, construction or production of an eligible asset are recognised through profit or loss using the effective interest rate method.

(r) Income tax

Income tax for the reporting period consists of current and deferred taxes. Income tax is recognised in profit and loss, except to the extent that it relates to business combinations or items recognised directly in equity or in other comprehensive income.

Current income tax is the expected tax payable on the taxable profit or loss for the year, using the tax rates that are enacted or substantially enacted by the reporting date, and any adjustments to tax payable in respect of previous years. Current income tax includes also any tax effects from dividends.

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised for all temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit nor loss.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxation authority.

3. Significant accounting policies (continued)

(r) Income tax (continued)

Deferred income tax assets are recognised for all unused tax losses, credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilised. Deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that future benefits will be realised.

In assessing its current and deferred taxes the Group takes into account the effect of uncertain tax items and whether additional taxes or interest might be due. The Group is of the opinion that the tax liability accruals are adequate for all open tax years based on an assessment of lots of factors, including interpretation of tax laws and previous experience. The assessment is based on estimates and assumptions and may include judgements for future events. New information may appear as well, according to which the Group may change its judgements on the adequacy of the existing tax liabilities; any such changes in the tax liabilities would affect the tax expense for the period in which such assessment is made.

(s) Key estimates and assumptions

Calculation of expected credit losses on loans granted, trade receivables and assets under contracts with customers

The measurement of the expected credit loss for financial assets carried at amortised cost (loans granted, receivables and assets under contracts with customers) is an area, which requires the use of significant assumptions about future economic conditions and credit behaviour of customers and debtors (for example, the likelihood of counterparties not fulfilling their obligations and the resulting losses).

Aiming at achieving compliance with these requirements, the company's management makes a number of important judgments, such as:

- (a) defines criteria for identifying and evaluating a significant increase in credit risk;
- (b) selecting appropriate models and assumptions for measuring expected credit losses;
- (c) formation of groups of similar financial assets (portfolios) for the purpose of measuring expected credit losses,
- (d) establishing and evaluating the correlation between historical default rates and behaviour of certain macroeconomic indicators to reflect the effects from forecasts in future when calculating expected credit losses.

Estimates when recognising revenue from contracts with customers

When recognising revenue and preparing the annual financial statements, management makes different judgements, estimates and assumptions, which influence the reported income, expenses, assets and liabilities under contracts, and their corresponding disclosures. Despite the uncertainty regarding these assumptions and estimates, the Group does not expect substantial adjustments to the carrying amount of the assets and liabilities in the future, and respectively, the reported costs and revenue.

3. Significant accounting policies (continued)

(s) Key estimates and assumptions (continued)

Impairment of inventories

At the end of each financial year, the Group reviews the condition and usability of available inventories. When inventories are identified that are potentially unlikely to be realized at their current carrying amount in subsequent reporting periods, the entity impairs the inventories to net realizable value. Inventories in stock but expired are impaired 100%.

Useful life of fixed assets

The Group examines the estimated useful lives of the depreciable fixed assets at the end of each reporting period.

Goodwill - It is tested for impairment annually and when circumstances indicate that its value may be overestimated. Impairment of goodwill is determined by measuring the recoverable amount of each cash-generating unit (or a group of cash-generating units) to which goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses associated with goodwill cannot be recovered in future periods.

Trademarks - At the end of each financial year, the Group reviews the impairment of trademarks. Where the recoverable amount of the trademark is less than its carrying amount, an impairment loss is recognised. Impairment losses associated with trademarks cannot be recovered in future periods.

Recognition of tax assets - When recognising deferred tax assets, it is assessed the probability that individual deductible temporary differences will reverse in the future and the ability of each of the Group companies to generate sufficient tax profits to offset them against those profits.

(t) Subsidiaries

Subsidiaries and entities, including unincorporated partnerships, where the parent company holds, directly or indirectly, more than 50% of the votes in the General Meeting (share capital) and/or the right to appoint more than 50% of the Board of Directors of the entity, or by virtue of a written control agreement concluded between the shareholders it is able to exercise control over the entity's financial and operating policies (including by virtue of a control agreement concluded between the shareholders).

Subsidiaries are consolidated from the date that effective control is acquired by the Group and cease to consolidate from the date that control is deemed to have ceased and is transferred outside the Group. For their consolidation, the full consolidation method is applied.

(u) Consolidation principles

Consolidation of subsidiaries

In preparing consolidated financial statements, the financial statements of the parent and its subsidiaries are combined on a line-by-line basis by applying consistent accounting policies to all significant items. The parent company's investments are eliminated against the share in the equity of the subsidiaries at the date of acquisition. Intragroup transactions and balances and resulting unrealised profits are eliminated in full. Upon these eliminating consolidation entries, the deferred tax effect has been taken into account.

3. Significant accounting policies (continued)

(u) Subsidiaries (continued)

Business combinations

Business combinations are accounted for by the Group using the acquisition method at the date the Group acquires control. The cost of acquisition is measured as the aggregate of the assets transferred, measured at fair value, the liabilities assumed to the previous owners, and the amount of any interest in the Group's capital. The consideration transferred consists of the fair value of all assets or liabilities originating from arrangements to transfer contingent consideration. Identifiable net assets acquired and liabilities assumed are measured at the fair value at the date of acquisition. Acquisition costs are expensed when incurred.

Non-controlling interest

For each business combination, the Group chooses to measure the non-controlling interest in the acquiree on the basis of:

- fair value; or
- the proportion of identifiable net assets at the acquisition date, which is generally measured at fair value.

Changes in the Group's share of a subsidiary that do not result in a loss of control are recognised in equity. Changes in non-controlling interest are determined on the basis of the proportional share of the net asset of the subsidiary. Changes in goodwill or gains or income on acquisition are not made.

Acquisitions of companies under common control

Acquisition under common control is a transaction in which the participating companies or businesses are controlled by the same person or persons, both before and after the transaction. These transactions arise when there is a change of the direct owner of the subsidiaries but the ultimate controlling entity remains unchanged.

Where the consideration transferred is less than the fair value of the identifiable net assets acquired, the difference is recognised in equity as contributions from the shareholders of the acquirer. Where the consideration transferred exceeds the fair value of the identifiable net assets acquired, the difference is recognised as goodwill in the consolidated statement of financial position.

Provisional accounting for of acquisitions

The Group applies provisional accounting for of acquisitions on the assumption that accounting for the acquisition for some amounts may be incomplete. Adjustments made in accounting for the acquisition during the measurement period may affect the recognition and measurement of assets acquired and liabilities assumed, non-controlling interests, consideration transferred, all existing interests in the acquiree before acquisition, and goodwill arising or the amount of the bargain purchase gain recognised. During the assessment period, the acquirer retrospectively adjusts the amounts recognised at the acquisition date on a pro-rata basis that result from new information about facts and circumstances that existed at the acquisition date and, if known, the ones that have affected the amount recognised at that date. The measurement period ends when the acquirer obtains all the information necessary to record fully the acquisition or finds out that additional information is not available and may not exceed one year from the acquisition date. Adjustments made during the measurement period are recognised retrospectively, and comparative information is adjusted, i.e. as if the business combination had been recognised fully at the acquisition date.

3. Significant accounting policies (continued)

(v) New standards and interpretations

In the current year, the Group adopted all new and revised IFRS, which are relevant to its activity and are effective for the reporting period commencing on 1 January 2018. The effects from the application of these new standards are as follows:

Standards issued by IASB/IFRIC and endorsed by the EU, but not yet effective and not adopted earlier

Standards issued by the IASB / IFRIC that have not yet entered into force at the date of issue of the financial statements and have not been adopted earlier are listed below. The group intends to adopt these standards when they become effective.

IFRSIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019) - Management does not expect that the adoption of this interpretation will have a significant effect on the financial statements of the Group.

Amendment to IFRS 9 Financial Instruments - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019) - Management does not expect that the adoption of this amendment will have a significant effect on the financial statements of the Group.

IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019). The Group adopts IFRS 16 on 1 January 2019 and intends to apply the modified method of implementation. IFRS 16 requires lessees to report all leases under a unified model requiring their recognition in the balance sheet, an approach similar to that applied to finance lease reporting under IAS 17. The Group has reviewed and analysed all lease agreements in the light of the requirements of the new IFRS 16. The standard will mainly affect the group's operating leases as a lessee

Standards and interpretations issued by IASB, but not yet endorsed by EU

Currently, the IFRS adopted by the EU do not differ significantly from those adopted by the IASB, except for the following new standards, amendments to existing standards and new interpretations, which have not been adopted by the EU yet as at the date of approval of these financial statements (the dates of entry into force specified below refer to the complete IFRS):

IFRS 17 Insurance Agreements (effective for annual periods beginning on or after 1 January 2021) - Management does not expect that the adoption of this standard will have a significant effect on the financial statements of the Group.

3. Significant accounting policies(continued)

(v) New standards and interpretations (continued)

Amendments to IAS 19 Employment Benefits – Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019) – Management does not expect that the adoption of this amendment will have a significant impact on the financial statements of the Group.

Amendments to Different Standards Improvements to IFRS (Cycle 2015-2017) resulting from the annual IFRS Improvements Project (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily aiming to eliminate contradictions and clarify formulations (effective for annual periods beginning on or after 1 January 2019) - Management does not expect that the adoption of these amendments will have a significant impact on the financial statements of the Group.

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 01 January 2020) - Management does not expect that the adoption of these amendments will have a significant effect on the financial statements of the Group.

Amendments to IFRS 3 Business Combinations (effective for annual periods beginning on or after 01 January 2020) - Management does not expect that the adoption of these amendments will have a significant effect on the financial statements of the Group.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020) - Management does not expect that the adoption of these amendments will have a significant effect on the financial statements of the Group.

The Group expects the adoption of these standards, amendments and interpretation will not have a significant effect on the Group's separate financial statements during their initial implementation.

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4. Fixed tangible assets

<i>In BGN'000</i>	Land	Buildings	Plant and equipment	Facilities	Motor vehicles	Fixtures and fittings and other fixed assets	In the process of acquisition and construction	Total
Cost								
Balance on 1 January 2019	16 956	91 140	41 065	25 385	14 252	3 805	5 212	197 815
Assets Right of Use on January 2019		230			101			331
Balance on 1.1.2019 /recalculated /	16 956	91 370	41 065	25 385	14 353	3 805	5 212	198 146
Additions	-	2 716	2 824	1 121	798	59	8 197	15 715
Transfers	-	-	-	-	-	-	(6 690)	(6 690)
Disposals	-	-	(345)	-	(54)	(383)	-	(782)
Balance on 30 Sep. 2019	16 956	94 086	43 544	26 506	15 097	3 481	6 719	206 389
Depreciation								
Balance on 1 January 2019	-	(2 217)	(6 170)	(609)	(9 008)	(2 403)	-	(20 407)
Depreciation charge for the period	-	(754)	(2 527)	(296)	(784)	(220)	-	(4 581)
Disposals	-	-	64	-	23	187	-	274
Balance on 30 Sep. 2019	-	(2 971)	(8 633)	(905)	(9 765)	(2 436)	-	(24 714)
Net book value								
At 1 January 2019	16 956	88 923	34 895	22 776	5 244	1 402	5 212	177 408
At 30 September 2019	16 956	91 115	34 911	25 601	5 328	1 045	6 719	181 675

The Group has established a registered pledge of buildings, plant and equipment under loan contracts (see note 18).

5. Intangible assets

Intangible assets comprise trademarks, software, ISO certificates, integrated permits, and others.

<i>In BGN'000</i>	Trademarks	Software	Leasehold improvements	Licenses and others	Total
Cost					
Balance on 1 January 2019	53 273	51	758	327	54 409
Additions	-	6	-	240	243
Balance on 30 Sep. 2019	53 273	57	758	567	54 652
Amortisation					
Balance on 1 January 2019	-	(41)	(206)	(225)	(472)
Amortisation charge for the period	-	-	-	(116)	(116)
Balance on 30 Sep. 2019	-	(41)	(206)	(341)	(588)
Net book value					
At 1 January 2019	53 273	10	552	102	53 937
At 30 September 2019	53 273	16	552	205	54 046

On the establishment of Gradus AD and the contribution in kind of shares of Gradus-1 EOOD, identifiable intangible assets Trademarks with an unlimited useful life are recognised. They were initially recognised at fair value as determined by an independent licensed appraiser's report. The fair value of trademarks is not different from their carrying amount. The trademarks capitalised as a result of the business combinations are: "GRADUS" and "I EAT".

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6. Goodwill

The acquisition of Gradus-1 EOOD, Zhyuliv EOOD, Lora-2004 EOOD, Millennium 2000 EOOD and Gradus-98 AD was made at the establishment of the capital of Gradus AD through in-kind contributions representing 100% of the share capital of Gradus-1 EOOD, Lora- 2004 EOOD and Millenium 2000 EOOD, and 99.94% of the capital of Gradus-98 AD, which have been evaluated by a licensed appraiser at the date of the transaction. The valuation method used is the asset's net value. Gradus AD was registered with the Commercial Register on 28 November 2017.

Goodwill arises when the parent company acquires control. It is defined as the excess of the consideration transferred at fair value and the non-controlling interest in the acquired entity over the fair value of the identifiable net assets therein. As of 31 December 2018, the goodwill amounted to **BGN 20,656 thousand**.

Goodwill is tested for impairment annually and when circumstances indicate that its value may be overestimated. Impairment of goodwill is determined by measuring the recoverable amount of each cash-generating unit (or group of cash-generating units) to which that goodwill relates. When the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recognised. Impairment losses associated with goodwill cannot be recovered in future periods.

Group companies:

	Parent company	Effective participation of the parent company
Gradus AD	Parent company	-
Gradus-1 EOOD	Subsidiary of Gradus AD	100%
Zhyuliv EOOD	Subsidiary of Gradus AD	100%
Lora-2004 EOOD	Subsidiary of Gradus AD	100%
Millenium-2000 EOOD	Subsidiary of Gradus AD	100%
Gradus-98 AD	Subsidiary of Gradus AD	99,94%
Gradus-3 AD	Subsidiary of Gradus -1 EOOD	96%

Gradus AD Group	Gradus-1	Zhyuliv	Lora-2004	Milenium 2000	Gradus-98	Total
Remuneration transferred	149 760	16 200	11 100	35 700	52 200	264 960
Non-controlling interest	1 514	-	-	-	31	1 545
Fair value of net assets	(140 739)	(16 103)	(10 143)	(31 630)	(47 234)	(245 849)
Goodwill	10 535	97	957	4 070	4 997	20 656

Gradus-1 EOOD Sub-Group	Gradus-1	Gradus-3	Total
Remuneration transferred	113 836	35 924	149 760
Non-controlling interest	-	1 514	1 514
Fair value of net assets	(102 901)	(37 838)	(140 739)
Goodwill	10 935	(400)	10 535

Gradus-1 EOOD holds 96% of the capital of Gradus-3 AD, the same percentage is held by Gradus AD.

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7. Non-controlling interest

	Non-controlling interest, %	Balance at 31.12.2018г.	Result for the period	Balance at 30.06.2019
Gradus-3 AD	4%	1 636	114	1 750
Gradus-98 AD	0,066%	34	4	38
		1 670	118	1 788

8. Investment property

Investment property comprises land and buildings leased out. Initially, they are measured at cost and upon subsequent recognition, at fair value, determined by an independent licensed appraiser with any changes being recognised through profit or loss. The fair value reflects the actual status of the investment property under the conditions of a competitive market in the same location and condition of the property. As of 31 December 2018, the carrying amount of the investment properties amounted to BGN 7,122 thousand (2017: BGN 6,350 thousand).

9. Inventories

<i>In BGN'000</i>	30.09.2019	31.12.2018
Raw materials and materials	22 660	23 899
Finished products	7 084	7 228
Goods	14 513	12 727
Animals for fattening	8 297	5 583
Work in progress	4 773	4 170
Total inventories	57 327	53 607

The Group has established a registered pledge of inventories under loan contracts. (See Note 18).

10. Trade receivables

<i>In BGN'000</i>	30.09.2019	31.12.2018
Receivables from counterparties	14 123	20 549
Impairment of receivables	(512)	(512)
Receivables from advances to suppliers	8 654	8 164
Total receivables	22 265	28 201

Trade receivables are current, interest-free, denominated in Bulgarian leva and relate to the sale of goods, products and services.

In 2018, the Group applied the simplified approach of IFRS 9 to measure the expected credit losses on trade receivables by recognising lifetime expected losses over the expected life of the financial instrument for all trade receivables.

11. Loans granted

<i>In BGN'000</i>	Maturity	Collateral	Interest rate	30 September 2019	31 Dec. 2018
Company 1	2019	He	2.5%	4 729	4 944
Company 2	2019	He	2.5%	932	966
Company 3	2019	He	4%	657	763
Company 4	2019	He	2%	46	50
Company 5	2019	He	2.5%	-	41
Company 6	2019	He	7%	12	13
Total				6 376	6 777

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12. Other current receivables and prepayments

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Financing	34	-
Taxes refundable	1 607	1 803
Court and awarded receivables	71	71
Prepayments	257	284
Other receivables	248	275
Total	2 217	2 433

13. Cash and cash equivalents

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Cash on hand	453	350
Cash in current accounts	7 032	6 910
Cash equivalents	102	-
Total cash and cash equivalents	7 587	7 260

14. Equity

Share capital

	Number of voting shares	Amount, BGN'000
As at 30 June 2019	243 608 710	243 609

Equity

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Share capital	243 609	243 609
Issue premium	36 515	44 200
Issue premium from the issue of securities	18 087	18 087
Revaluation reserve	394	404
Reserve from actuarial revaluations	(73)	(73)
Accumulated profit	20 501	16 666
Non-controlling interest	1 788	1 670
Total equity	320 821	324 563

The premium reserve (legal reserve) in the amount of BGN 36 515 thousand. represents:

- Reserve Fund at the request of the Commercial Law in the amount of BGN 22 100 thousand;
- other reserve in the amount of BGN 14 415 thousand. - accumulated profits from previous years of group companies.

15. Deferred tax assets and liabilities

Deferred tax assets and liabilities recognised

Deferred tax assets and liabilities recognised originate from the following:

	Assets		Liabilities		Net	
<i>In BGN'000</i>	30.09.2019	31.12.2018	30.09.2019	31.12.2018	30.09.2019	31.12.2018

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Property, plant and equipment	-	-	(10 230)	(10 145)	(10 230)	(10 145)
Intangible assets	-	-	(5 327)	(5 327)	(5 327)	(5 327)
Subsequent evaluation of investment property	50	50	(453)	(453)	(403)	(403)
Tax loss	67	128	-	-	67	128
Impairment of receivables	139	139	-	-	139	139
Provision for expected credit losses	93	93	-	-	93	93
Employee benefits	9	13	-	-	9	13
Long-term retirement benefits	25	25	-	-	25	25
Impairment of inventories	772	708	-	-	772	708
Compensated leaves	28	33	-	-	28	33
	1 183	1 189	(15 926)	(15 925)	(14 827)	(14 736)

Movements in temporary differences during the period 01 January 2019 – 30 September 2019

In BGN'000

	Balance sheet 31.12.2018	Profits and losses	Other comprehensive income	Balance sheet 30.09.2019
Property, plant and equipment	(9 697)	(85)	-	(10 229)
Intangible assets	(5 327)	-	-	(5 327)
Subsequent evaluation of investment property	(403)	-	-	(403)
Tax loss	128	(61)	-	67
Impairment of receivables	139	-	-	139
Employee benefits	13	(4)	-	9
Long-term retirement benefits	25	-	-	25
Impairment of inventories	708	64	-	772
Compensated leaves	33	(5)	-	28
	93	-	-	93
Total:	(14 736)	(91)	-	(14 827)

Movements in temporary differences during the period 01 January 2018 – 31 December 2018

In BGN'000

	Balance sheet 31.12.2017	Profits and losses	Effect from the first-time adoption of IFRS 9	Other comprehensive income	Balance sheet 31.12.2018
Property, plant and equipment	(9 697)	(405)	-	(43)	(10 145)
Intangible assets	(5 327)	-	-	-	(5 327)
Subsequent evaluation of investment property	(453)	50	-	-	(403)
Tax loss	21	107	-	-	128
Impairment of receivables	124	15	-	-	139
Employee benefits	3	10	-	-	13
Long-term retirement benefits	20	1	-	4	25
Impairment of inventories	354	354	-	-	708
Compensated leaves	18	15	-	-	33
Provision for expected credit losses	-	(37)	130	-	93
Total:	(14 937)	110	130	(39)	(14 736)

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16. Long-term payables to personnel

Long-term payables to personnel comprise the Group's obligation to pay termination benefits to those employees who retire as of 31 March 2019. Pursuant to the Labour Code provisions, every employee is entitled to compensation amounting to two months' gross salaries upon retirement. If he/she has been with the same employer for the past 10 years or more, this employee is entitled to a compensation amounting to six months' gross salaries. At the time of retirement.

The change in the present value of payables to employees upon retirement is as follows:

<i>In BGN'000</i>	30 Sep.e 2019	31 Dec. 2018
Present value of the obligation on 1 January	272	211
Current service costs	-	44
Interest expense	-	1
Payments during the period	-	(28)
Effects from subsequent evaluations during the period	-	44
Present value of the obligation on 31 March	<u>272</u>	<u>272</u>

17. Other non-current liabilities

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Long-term portion of financing for FTAs	2 605	1 593
Short-term portion of financing for FTAs	307	248
Total	<u>2 912</u>	<u>1 841</u>

- Financing is received under a contract of 2018 between Gradus-1 EOOD and the State Agricultural Fund for the acquisition of tangible fixed assets. The amount of the approved financing under this contract amounts to BGN 1,565 thousand.
- Financing is received under a contract of 2017 between Lora-2004 EOOD and the State Agricultural Fund for the acquisition of tangible fixed assets. The amount of the approved financing under this contract amounts to BGN 1,259 thousand.
- Financing is received under a contract of 2015 between Gradus-98 AD (Biser Oliva 98 AD) and the State Agricultural Fund for the acquisition of tangible fixed assets. The amount of the approved financing under this contract amounts to BGN 200 thousand.
- Financing is received under a contract of 2015 between Gradus-98 AD (Biser Oliva 98 AD) and the State Agricultural Fund for the acquisition of tangible fixed assets. The amount of the approved financing under this contract amounts to BGN 924 thousand.

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18. Bank loans

Bank	Currency	Interest rate %	Maturity	2019		2018	
				Liability BGN'000	Approved limit BGN'000	Liability BGN'000	Approved limit BGN'000
"Bank 1" - borrower Gradus-1 EOOD							
Loan 1	BGN	WADI +1.05%	30.09.2019	10 765	12 000	11 569	12 000
Loan 2	BGN	WADI +1.05%	30.09.2019	-	2 800	400	2 800
Loan 3	BGN	WADI +1.05%	30.09.2019	3 736	8 000	-	15 000
"Bank 1" - borrower Gradus-3 AD							
Loan 1	BGN	WADI +1.05%	30.09.2019	-	12 000	-	12 000
Loan 2	BGN	WADI +1.05%	30.09.2019	-	2 800	-	2 800
Loan 3	BGN	WADI +1.05%	30.09.2019	-	8 000	-	8 000
"Bank 2" - borrower Gradus-3 AD							
Loan 1	BGN	VII +1.37%	30.08.2020	1 080	10 000	3 300	10 000
"Bank 3" - borrower Gradus-3 AD							
Loan 1	EUR	1M euribor+1.15%	31.01.2020	-	16 625	6 602	16 625
Loan 2	EUR	1M euribor+1.15%	31.01.2020	-	12 713	12 552	12 713
Loan 3	EUR	1M euribor+1.15%	31.01.2020	-	9 779	35	9 779
Total short-term liabilities:				15 581		11 969	

The bank loans are secured by Group's assets, as follows:

		FTAs BGN'000	Receivables BGN'000	Inventories BGN'000
Gradus 3	Loan 1	-	-	-
Gradus 1	Loan 1	9 923	-	3 500
Gradus 3	Loan 2	-	-	-
Gradus 1	Loan 2	-	1 779	-
Gradus 3	Loan 3	2 533	-	-
Gradus 1	Loan 3	19 207	-	-
Gradus 3	Loan 1	14 036	-	-
Gradus 3	Loan 1	3 957	-	-
Gradus 3	Loan 2	1 169	-	13 651
Gradus 3	Loan 3	-	-	9 231
Total:		50 825	1 779	26 382

19. Trade payables

In BGN'000

	30 Sep. 2019	31 Dec. 2018
Payables to suppliers	6 160	5 745
Payables on advances	42	33
	6 202	5 778

20. Tax liabilities

In BGN'000

	30 Sep. 2019	31 Dec. 2018
VAT payable	837	1 053
Corporate income tax	439	27
Individuals' income tax	164	149
Other taxes	-	9

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	<u>1 440</u>	<u>1 238</u>
21. Payables to personnel and social security		
<i>In BGN'000</i>	30 Sep. June 2019	31 Dec. 2018
Payables to personnel	1 509	1 526
Payables to social security	559	550
Payables on unused paid leave	5	61
Total	<u>2 073</u>	<u>2 137</u>
22. Other current liabilities		
<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Dividends payable	8	10
Liability under a contract for the supply of FTAs	383	394
Other financing	307	248
Financing for FTAs	78	-
Insurance liabilities	26	39
Pledge	11	14
Other liabilities	221	93
Total	<u>1 034</u>	<u>798</u>
23. Sales revenue		
<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Sale of finished products	95 216	82 240
Sale of good	25 451	15 281
Sale of services	592	578
	<u>121 259</u>	<u>64 402</u>
24. Other operating income		
<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Income from financing	10 216	11 014
Rental income	646	506
Compensation for birds	570	-
Revenue from sale of materials and FTAs, net	551	337
A penalty for birds	462	-
Revenue from revaluation of biological assets	448	190
Revenue from revaluation of agricultural products	241	-
Revenue from surpluses	152	-
Revenue from Compensated leaves	66	50
Other income	89	144
	<u>13 441</u>	<u>12 241</u>
25. Expenses on materials		
<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Expenses on raw materials and materials	50 699	44 460
Costs of electricity	3 098	2 557
Medicines and disinfectants	3 278	3 157

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Expenses on fuel and lubricants	1 685	1 665
Repairs and spare parts	1 060	960
Heating materials	835	985
Natural gas	928	629
Water and steam	260	310
Other expenses	329	1 667
	62 172	56 390

26. Hired service expenses

<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Costs of marketing and advertising	1 074	1 531
Costs of forwarding services and commissions	857	492
Costs of transportation services	742	334
Tax expenses and fees	464	467
Expenses on repair and maintenance	469	471
Consulting services	504	801
Fees, certificates, permits	330	124
Insurance costs	293	276
Costs of security	258	191
Costs of veterinary services and researches	263	357
Audit expenses	111	102
Rental expenses	149	98
Subscription fees	30	4
Translation / interpretation services	6	17
Legal services	5	-
Commission financial activity	-	60
Other expenses	1 162	617
	6 717	5 942

27. Personnel expenses

<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Salaries and wages	15 822	14 495
Social security expenses	2 753	2 491
	18 575	16 986

28. Other expenses

<i>In BGN'000</i>	1-9/2019r.	1-9/2018r.
Impairment of inventories	6 188	4 368
Lack of inventory	1 805	1 626
Receivables written off	-	154
Representative business trips	162	148
Shortage of assets	31	42
Shortage of assets	16	10
Natural wastage	13	6
Grants	16	21
Other expenses	551	966
	8 782	7 341

29. Finance income and finance costs

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<i>In BGN'000</i>	1-9/2019г.	1-9/2018г.
Interest income	195	81
Income from changes in exchange rates	413	372
Other	-	1
Total finance income	608	454
Interest expenses	(99)	(403)
Interest on leases	(27)	-
Bank charges	(212)	(168)
Losses from foreign exchange operations	(179)	(235)
Total finance costs	(517)	(806)
Total finance income/ finance costs	91	(352)

30. Tax expenses

Current tax for the period 01 January – 30 September 2019	1-9/2019г	1-9/201г
Tax for the period	(1 919)	(1 560)
Occurrence and reversal of temporary differences	(95)	(43)
Total taxes recognized in profits and losses	(2 014)	(1 603)

31. Financial instruments

Categories of financial instruments

Financial assets at amortised cost	30.09.2019	31.12.2018
<i>In BGN'000</i>		
Trade receivables	13 611	20 037
Related party receivables	6 897	6 245
Receivables on loans to related parties	6 376	6 777
Cash and cash equivalents	7 134	6 910
Total:	34 018	39 969

Financial liabilities at amortised cost	30.09.2019	31.12.2018
<i>In BGN'000</i>		
Bank loans	15 581	11 969
Payables to related parties	1 117	579
Trade payables	6 160	5 745
Total	22 858	18 293

In the course of its ordinary activity the Group is exposed to various financial risks, the most significant of which are the following: market risk (including currency risk, risk of changes in fair value and price risk), credit risk, liquidity risk and risk of interest-bearing cash flows.

The overall risk management is focused on difficulties in forecasting financial markets aimed at minimising the potential negative effects that might impact the financial results and performance of the Company.

Financial risks are identified, measured and monitored currently, using different control mechanisms, in order to determine adequate prices of the company's goods and services, and of its borrowings, as well as to assess adequately

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the market circumstances of its investments and the forms of maintenance of free liquidity without permitting unjustified concentration of a particular risk.

Risks faced by the Group are managed on an ongoing basis in accordance with a policy elaborated by management. Management has set the main principles of the overall financial risk management on the basis of which specific procedures for management of particular risks, such as currency risk, price risk, interest rate risk, credit risk, and liquidity risk, have been developed.

Credit risk

The main financial assets of the Group comprise cash on hand and cash in bank accounts, trade receivables and receivables on loans granted.

Credit risk is the risk that the company's counterparties might not be able to repay fully and within the usual time limits the amounts they owe on trade and credit receivables.

Currency risk

Exposure to currency risk

Sometimes, the Group companies undertake transactions denominated in foreign currencies. The Group is exposed to currency risk relating to possible fluctuations in exchange rates of foreign currencies. Currently, such risk originates from fluctuations in the USD exchange rate upon trading in agricultural produce.

Liquidity risk

The following table contains the financial liabilities' contractual maturities, including estimated interest payments, but excluding the effect of netting arrangements:

30 September 2019

<i>In BGN'000</i>	Carrying amount	Contractual cash flows	Within 6 months	6-12 months
Bank loans	15 581	15 581	-	15 581
Payables to related parties	1 117	1 117	1 117	-
Trade payables	6 160	6 160	6 160	-
Total:	22 858	22 858	7 277	15 581

31 December 2018

<i>In BGN'000</i>	Carrying amount	Contractual cash flows	Within 6 months	6-12 months
Bank loans	11 969	11 969	-	11 969
Payables to related parties	579	579	579	-
Trade payables	5 745	5 745	5 745	-
Total:	18 293	18 293	6 324	11 969

Interest rate risk

Generally, the Group has no significant interest-bearing assets. Therefore, revenue and operating cash flows are to a large extent independent from changes in market interest rates. At the same time, the Group is exposed to interest rate risk originating from its bank loans. Usually, they bear variable interest rates, which exposes its cash flows to interest rate risk.

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<i>In BGN'000</i>	Interest-bearing		Interest-free	Total
	<i>Fixed</i>	<i>Variable</i>		
	<i>interest rate</i>	<i>interest rate</i>		
30 September 2019	%	%		
Related party receivables	2 914	2 247	1 736	6 897
Trade receivables	-	-	13 611	13 611
Loans granted	6 376	-	-	6 376
Cash and cash equivalents	-	7 134	-	7 134
Total financial assets	9 290	9 381	15 347	34 018
Bank loans	-	15 581	-	15 581
Trade payables	-	-	6 160	6 160
Payables to related parties	-	-	1 117	1 117
Total financial liabilities	-	15 581	7 277	22 858

<i>In BGN'000</i>	Interest-bearing		Interest-free	Total
	<i>Fixed</i>	<i>Variable</i>		
	<i>interest rate</i>	<i>interest rate</i>		
31 December 2018	%	%		
Related party receivables	3 239	2 220	786	6 245
Trade receivables	-	-	20 037	20 037
Loans granted	6 777	-	-	6 777
Cash and cash equivalents	-	6 910	-	6 910
Total financial assets	10 016	9 130	20 823	39 969
Bank loans	-	11 969	-	11 969
Trade payables	-	-	5 745	5 745
Payables to related parties	-	-	579	579
Total financial liabilities	-	11 969	6 324	18 293

Fair values vs carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts included in the statement of financial position, are as follows:

<i>In BGN'000</i>	30 September 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Related party receivables	6 897	6 897	6 245	6 245
Trade receivables	13 611	13 611	20 037	20 037
Loans granted	6 376	6 376	6 777	6 777
Cash and cash equivalents	7 134	7 134	6 910	6 910
Total assets	34 018	34 018	39 969	39 969
Payables to related parties	1 117	1 117	579	579
Trade payables	6 160	6 160	5 745	5 745
Bank loans	15 581	15 581	11 969	11 969
Total liabilities	22 858	22 858	18 293	18 293

32. Related party receivables

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Identification of related parties

For the purposes of preparing these consolidated financial statements, the owners, the companies under their control, the senior management (key management staff) and close family members, including companies controlled by them, are treated as related parties.

Related parties:	Type of relationship
Luka Angelov Angelov	Equity owner
Ivan Angelov Angelov	Equity owner
Gradus-1 EOOD	Subsidiary
Gradus-3 AD	Subsidiary
Millennium 2000 EOOD	Subsidiary
Gradus-98 AD	Subsidiary
Zhyuliv EOOD	Subsidiary
Lora-2004 EOOD	Subsidiary
Energy-2 OOD	Relationship through a person exercising significant influence
Agro Invest-7 OOD	Relationship through a person exercising significant influence
Mirena OOD	Relationship through a person exercising significant influence
Gold Agro-2005 OOD	Relationship through a person exercising significant influence
Ayazmo AD	Relationship through a person exercising significant influence
Marieta EOOD	Relationship through a person exercising significant influence
Trade Home EOOD	Relationship through a person exercising significant influence
Wolf OOD	Relationship through a person exercising significant influence
Biser Oliva AD	Relationship through a person exercising significant influence
SP Gradus-Ivan Angelov-55	Relationship through a person exercising significant influence
Equity Invest-1 AD	Relationship through a person exercising significant influence
Equity Invest-2 OOD	Relationship through a person exercising significant influence
M.O. Stara Zagora OOD	Relationship through a person exercising significant influence
Biser Distribution OOD	Relationship through a person exercising significant influence
Zagora Oil OOD	Relationship through a person exercising significant influence

Transactions - related parties with Gradus Group

<i>In BGN'000</i>	Type of transaction	Transaction amount for the period 1-9/2019	Total receivables 30.09.2019	Total payables 30.09.2019
Agro Invest-7 OOD	Sales	270	288	-
Agro Invest-7 OOD	Loan granted	24	1 459	-
Energy- 2 OOD	Purchases	999	1 245	-
Energy-2 OOD	Loan granted	24	1 455	-
ET Gradus - Ivan Angelov – 55	Sales	972	70	-
M.O. Stara Zagora OOD	Loan granted	27	2 247	-
Biser Oliva AD	Sales	175	48	-
Mirena OOD	Sales	-	53	-
Equity Invest-1 AD	Sales	1	-	-
Equity Invest-2 OOD	Sales	1	-	-
Ivan Angelov Angelov	Sales	114	32	-
Luka Angelov Angelov	Sales	1	-	-
Agro Invest-7 OOD	Purchases	842	-	211
Energy- 2 OOD	Purchases	55	-	3
SP Gradus-Ivan Angelov-55	Purchases	1 940	-	619
Biser Oliva AD	Purchases	4 088	-	284
Total balance – related parties outside the Group			6 897	1 117

Transactions - related parties with Gradus Group

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<i>In BGN'000</i>	Type of transaction	Transaction amount for the period 1-9/2018	Total receivables 31.12.2018	Total payables 31.12.2018
Agro Invest-7 OOD	Sales	220	99	-
Agro Invest-7 OOD	Loan granted	426	1 531	-
Energy- 2 OOD	Purchases	634	472	-
Energy-2 OOD	Loan granted	547	1 703	-
ET Gradus - Ivan Angelov – 55	Sales	1 228	126	-
M.O. Stara Zagora OOD	Loan granted	27	2 220	-
Biser Oliva AD	Sales	97	23	-
Mirena OOD	Sales	-	54	-
Ivan Angelov Angelov	Sales	129	12	-
Luka Angelov Angelov	Sales	1	-	-
Stefan Petrov Hristov	Loan granted	-	4	-
Ivan Toshkov Todorov	Loan granted	-	1	-
Agro Invest-7 OOD	Purchases	654	-	292
Energy- 2 OOD	Purchases	153	-	27
SP Gradus-Ivan Angelov-55	Purchases	1 994	-	245
Biser Oliva AD	Purchases	2 163	-	15
Total balance – related parties outside the Group			6 245	579

Related party receivables by types:

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Trade loans granted	5 161	5 459
Receivable on sale of products and materials	1 736	786
Total related party receivables:	6 897	6 245

Receivables on trade loans to related parties:

<i>In BGN'000</i>	30 Sep. 2019	31 Dec. 2018
Trade loans granted – principal	4 621	4 909
Interest	540	556
	5 161	5 459

33. Contingent liabilities

The Group provided a good performance guarantee of BGN 80 thousand to secure a liability of Marina 2003 EOOD to Southeast State Enterprise.

34. Events after the reporting date

On 30.09.2019. The Group signs an annex - Overdraft with Bank 1 (Loan 1). The term of use and repayment has been extended to 30.06.2020.

On 02/10/2019 The Group signs an annex - Overdraft with Bank 1 (Loan 1) to change the applicable interest rate.

On 30.09.2019. The Group signs an annex with Bank 1 (Loan 2). The term of use and repayment has been extended to 30.09.2020.

On 02/10/2019 The Group signs an annex with Bank 1 (Loan 2) to change the applicable interest rate.

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On 30.09.2019. The Group signs an annex with Bank 1 (Loan 3). The term of use and repayment has been extended to 30.09.2020.

On 02/10/2019 The Group signs an annex with Bank 1 (Loan 3) to change the applicable interest rate.

There are no other events occurring after September 30, 2019 that require additional adjustments and / or disclosures.